

PRIMARY CARE DONCASTER LIMITED

Company Number: 10822663

ARTICLES OF ASSOCIATION¹



¹ Adopted by the Members by special resolution on 6 September 2017

CONTENTS

1.	Defined terms and interpretation.....	4
2.	Liability of members.....	8
3.	The objects for which the Company is established include:	8
4.	Directors' general authority	9
5.	Members' reserve power	9
6.	Directors to take decisions collectively.....	10
7.	Unanimous decisions.....	11
8.	Calling a Directors' meeting.....	11
9.	Participation in Directors' meetings.....	11
10.	Quorum for Directors' meetings	12
11.	Chairing of Directors' meetings.....	12
12.	Voting and Casting vote.....	13
13.	Conflicts of interest	13
14.	Records of decisions to be kept.....	15
15.	Directors' discretion to make further rules.....	15
16.	Appointment of Directors	15
17.	Termination of Director's appointment	17
18.	Directors' remuneration	18
19.	Directors' expenses	18
20.	Alternate Directors	18
21.	General provisions relating to shares.....	20
22.	Allotment of Shares	20
23.	Company not bound by less than absolute interests	21
24.	Share certificates.....	21
25.	Authority to purchase own shares.....	21
26.	Transfer and transmission of shares.....	22
27.	Defaulting Members.....	23
28.	Transfer of Class A Shares and Pre-Emptive Rights In Respect Thereof.....	27
29.	Application of Profits	29
30.	Attendance and speaking at general meetings	30
31.	Quorum for general meetings	30
32.	Chairing general meetings	30
33.	Attendance and speaking by Directors and non-Members.....	31
34.	Adjournment	31
35.	Voting: general	32
36.	Errors and disputes.....	32
37.	Poll votes	32
38.	Content of Proxy Notices	33
39.	Delivery of Proxy Notices.....	33

40.	Amendments to resolutions	34
41.	Written Resolutions.....	34
42.	Means of communication to be used	34
43.	Company seals.....	35
44.	No right to inspect accounts and other records	35
45.	Provision for employees on cessation of business	35
46.	Indemnity.....	35
47.	Insurance.....	36

ARTICLES OF ASSOCIATION

PRIMARY CARE DONCASTER LIMITED

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

1. DEFINED TERMS AND INTERPRETATION

1.1 In the Articles, unless the context requires otherwise:

Act means the Companies Act 2006;

Alternate means a person appointed as an alternate director in accordance with article 20;

APMS Contract means an alternative provider medical services contract made in accordance with the NHS Act or any successor form of contract;

Applicant means a Member wishing to purchase Sale Shares pursuant to article 28;

Appointer means a Director who appoints an Alternate in accordance with article 20;

Articles means the Company's articles of association and article refers to a clause or paragraph within the Articles;

Bankruptcy includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Business Day means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

CCG means NHS Doncaster Clinical Commissioning Group;

Chairman has the meaning given in article 11 and Chairman of the meeting has the meaning given in article 32;

Class A Share means a Share as described in article 21.4;

Class B Share means a Share as described in article 21.5;

Companies Acts means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company;

Company means Primary Care Doncaster Limited;

Conflict means any matter or situation which would, if not authorised in accordance with these Articles, involve an Interested Director breaching his duty to avoid conflicts of interest under section 175 of the Act;

Default Notice means a notice as described in article 27.4 served by the

Company pursuant to article 27.3 or by a Member or a Defaulting Member pursuant to article 27.1.6(b) and a Member under Default Notice means a Member in respect of whom a Default Notice has been served where such notice has not been cancelled pursuant to article 27.8;

Defaulting Member means a Member as defined in article 27.1 including, if the circumstances so require, a Transmittée;

Director means a director of the Company, and includes any person occupying the position of director, by whatever name called;

Document includes, unless otherwise specified, any document sent or supplied in electronic form;

Electronic Form has the meaning given in section 1168 of the Companies Act 2006;

Eligible Director means a Director who would be entitled to vote on a matter at a meeting of Directors (but excluding a Director whose vote is not to be counted in respect of a particular matter);

Eligible Person means a person eligible to hold Shares, being:

- (a) a person who:
 - (i) is eligible under sections 86 or 93 of the NHS Act to hold a GMS Contract or a PMS Agreement and who satisfies the Relevant Conditions, or a person who satisfies such alternative or additional conditions as may from time to time be in force relating to eligibility to be a shareholder in a company limited by shares which is an employing authority for the purposes of the National Health Service Pension Scheme Regulations 1995; and
 - (ii) practises or works in the primary care field as a partner, principal or employee of a Medical Practice; or
- (b) the holder of an APMS Contract.

Excess Proportion means the proportion of Sale Shares which an Applicant may receive above his Pre-emption Proportion pursuant to article 28.9;

Fully Paid in relation to a Share, means that the nominal value and any premium to be Paid to the Company in respect of that Share have been Paid to the Company;

GP Director means a person appointed to be a Director in accordance with articles 16.3 to 16.5;

GMS Contract means a general medical services contract made in

accordance with the NHS Act or any successor form of contract;

GMS Regulations means the National Health Service (General Medical Services Contracts) Regulations 2004;

Hard Copy Form has the meaning given in section 1168 of the Companies Act 2006;

Holder in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares;

Instrument means a Document in Hard Copy Form;

Interested Director means a Director who is the subject of a Conflict;

Medical Practice means a sole practitioner, a partnership practice or a practice operated through a company providing primary care medical services under a GMS Contract, a PMS Agreement or an APMS Contract as a member practice of the CCG and holding Shares either (in the case of a sole practitioner or company) directly or (in the case of a Partnership) through a Nominee;

Medical Practitioner means a registered medical practitioner within the meaning of Schedule 1 to the Interpretation Act 1978;

Member means a Holder of Shares;

Memorandum means the Company's memorandum of association;

Neighbourhoods means the four neighbourhoods in the Doncaster area across which the Medical Practices are split or such neighbourhoods as agreed by the Members from time to time and **Neighbourhood** shall be defined and applied accordingly;

NHS means National Health Service;

NHS Act means the National Health Service Act 2006;

Nominee means a Member holding Shares for an on behalf of a Medical Practice;

Offer Notice means a notice in Writing served by the Company on Members holding Class A Shares offering for sale a Selling Member's Sale Shares pursuant to article 28.6;

Offer Period means the period within which Members holding Class A Shares receiving an Offer Notice may apply to purchase the Selling Member's Sale Shares or some of them pursuant to article 28.6;

Ordinary Resolution means a resolution passed by a simple majority;

Paid means paid or credited as paid;

Patient List means the list of registered NHS patients of a Medical Practice;

PMS Agreement means a personal medical services agreement made in accordance with the NHS Act or any successor form of contract;

PMS Regulations means the National Health Service (Personal Medical Services Agreements) Regulations 2004;

Pre-emption Proportion means the proportion of Sale Shares to which an Applicant is entitled with reference to the proportion of Class A Shares held by him or her in relation to the total number of issued Class A Shares at the date of expiry of the Offer Period pursuant to article 28.9;

Proxy Notice has the meaning given in article 38;

Relevant Conditions means the conditions in Regulation 5 of either the GMS Regulations or the PMS Regulations as amended from time to time and, in the case of a Medical Practitioner who owns a legal or beneficial interest in Shares and who is an Eligible Person by virtue of being a party to a GMS Contract, the conditions in Regulation 4 of the GMS Regulations;

Sale Shares means Class A Shares being sold by a Selling Member pursuant to article 28.4;

Selling Member means a Member selling Class A Shares pursuant to article 28;

Share means a share in the capital of the Company;

Special Resolution means a resolution passed by a majority of not less than 75% of the Members or a class of Members in accordance with section 283 of the Act;

Subsidiary has the meaning given in section 1159 of the Companies Act 2006;

Transfer Notice means a notice served by a Member on the Company pursuant to article 28;

Transmittee means a person entitled to a Share by reason of the death or Bankruptcy of a Member or otherwise by operation of law; and

Writing means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.

1.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company.

1.3 Headings in these Articles are used for convenience only and shall not affect

the construction or interpretation of these Articles.

- 1.4 A reference in these Articles to an “article” is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.5.1 any subordinate legislation from time to time made under it; and
 - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The model articles for private companies limited by shares contained in the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall not apply to the Company.
- 1.8 Words or phrases in these Articles denoting any gender include all genders and words denoting the singular include the plural and vice versa.
- 1.9 Where an article or part of an article is marked as “reserved” that article or part of any article and the number ascribed to it is not relevant and has no application.

2. LIABILITY OF MEMBERS

- 2.1 The liability of the Members is limited to the amount, if any, unpaid on the Shares held by them.

PART 2 OBJECTS

3. The objects for which the Company is established include:
 - 3.1 supporting general practices to increase their sustainability and resilience, and deliver high quality patient care;
 - 3.2 transformation and innovation in primary care services, influencing and shaping strategy through strong system partnerships; and
 - 3.3 accessing opportunities created by national and local policy, for general practice to grow and innovate, and continuously raise standards of care; and
 - 3.4 any other objects agreed by the Members from time to time.

PART 2 DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

4. DIRECTORS' GENERAL AUTHORITY

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

5. MEMBERS' RESERVE POWER

5.1 The Members may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action.

5.2 No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution.

5.3 Notwithstanding any other matters which pursuant to these Articles or the Companies Acts are required to be decided by the Members, the following matters are reserved for decision by the Members and shall not be decided by the Directors:

5.3.1 engaging in any activity that impacts negatively on a Medical Practice's usual business;

5.3.2 selling or otherwise disposing of the whole or any part of the business, property, assets, or any interest therein or contracting to do so;

5.3.3 registering a transfer or allotment of Shares to any person who is not already a Member;

5.3.4 doing, permitting or suffering to be done any act or thing whereby the Company may be wound-up, or entering into any compromise or arrangement under the Insolvency Act 1986;

5.3.5 merging or amalgamating with any other company or undertaking, or acquiring directly or indirectly any interest in any shares or other security convertible into shares of any other company, or forming or acquiring any subsidiary;

5.3.6 giving any guarantee, make any payment or incurring any obligation or acting as surety otherwise than in connection with the Company's ordinary business for the time being;

5.3.7 lending or agreeing to lend, granting any credit or making any advance to any person otherwise than in the ordinary course of the business of the Company;

5.3.8 appointing or removing any Director (without prejudice to the provisions in article 17 of the Articles setting out grounds upon which a person shall cease to be a Director);

5.3.9 authorising a Conflict where article 10.4 of the Articles applies;

- 5.3.10 changing the nature of the Company's business;
 - 5.3.11 alter its name or registered office; and
 - 5.3.12 enter into any commitment by way of a transaction or series of related transactions (including without limitation any leasing transaction) which would involve the Company in the payment or receipt of consideration having an aggregate value in excess of fifty thousand pounds (£50,000).
- 5.4 Unless stated otherwise in these Articles or the Companies Acts, matters to be decided by the Members shall be decided by Ordinary Resolution. For the avoidance of doubt, Special Resolutions shall be required to decide the following matters:
- 5.4.1 amending the Articles;
 - 5.4.2 disapplying Members' pre-emption rights when Shares are issued;
 - 5.4.3 reducing Share capital;
 - 5.4.4 authorising purchase by the Company of its own Shares;
 - 5.4.5 approving a payment out of the Company's capital for redemption or purchase of any of its Shares;
 - 5.4.6 resolving that the Company be wound up voluntarily;
 - 5.4.7 approving the acceptance by a liquidator in a members' voluntary liquidation of shares of another company to which assets of the Company are to be transferred;
 - 5.4.8 giving the liquidator in the course of a members' voluntary liquidation powers to pay a class of creditors in full or make a compromise or arrangement concerning any of the debts of the Company or any debts owed to the Company;
 - 5.4.9 approving a petition for the Company to be wound up by the court; and
 - 5.4.10 amending the objects of the Company pursuant to article 3.4.

DECISION-MAKING BY DIRECTORS

6. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 6.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 7 PROVIDED THAT at least 50% of the GP Directors eligible to vote have voted in favour of the decision and in any case each Director shall have one vote save as provided in article 20.7.
- 6.2 If:
 - 6.2.1 the Company only has one Director, and

- 6.2.2 no provision of the Articles requires it to have more than one Director, the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making.

7. UNANIMOUS DECISIONS

- 7.1 A decision of the Directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they have a common view on a matter.
- 7.2 Such a decision may take the form of a resolution in Writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in Writing.
- 7.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a meeting of the Directors.

8. CALLING A DIRECTORS' MEETING

- 8.1 Any Director may call a Directors' meeting by giving not less than twenty (20) Business Days' notice of the meeting (or such lesser notice as all the Directors may agree) to the Directors or by authorising the company secretary (if any) to give such notice.
- 8.2 Notice of any Directors' meeting must indicate:
- 8.2.1 its proposed date and time;
- 8.2.2 where it is to take place; and
- 8.2.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 8.3 Notice of a Directors' meeting must be given to each Director in Writing.
- 8.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting by giving notice to that effect to the Company not more than seven (7) days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

9. PARTICIPATION IN DIRECTORS' MEETINGS

- 9.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:
- 9.1.1 the meeting has been called and takes place in accordance with the Articles;

and

- 9.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 9.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 9.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them are.

10. QUORUM FOR DIRECTORS' MEETINGS

- 10.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 10.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than half the number of Directors then in office and PROVIDED THAT at least half of the GP Directors in office are in attendance and that there is at least one Director per Neighbourhood in attendance.
- 10.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
 - 10.3.1 to appoint further Directors, or
 - 10.3.2 to call a general meeting so as to enable the Members to appoint further Directors.
- 10.4 For the purposes of any meeting (or part of a meeting) held pursuant to article 13 to authorise a Directors' Conflict, if there are insufficient Eligible Directors other than the Interested Director, the quorum for such meeting (or the relevant part of such meeting) shall be reduced provided that the quorum shall never be less than the minimum stated in article 10.2 and if there is no such quorum the matter shall be referred to the Members for decision.

11. CHAIRING OF DIRECTORS' MEETINGS

- 11.1 The Directors shall appoint a Director to chair their meetings for such term of office as they shall decide.
- 11.2 The person so appointed for the time being is known respectively as the Chairman.
- 11.3 The Directors may terminate the Chairman's appointment at any time and appoint a replacement if, for example, the Chairman does not act in accordance with the requirements and obligations of the Chairman as set

out by the Company from time to time.

- 11.4 If the Chairman is not participating in a Directors' meeting within thirty (30) minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it or agree to reconvene the meeting for such reasonable time and place as they agree to allow the Chairman to attend.

12. VOTING AND CASTING VOTE

- 12.1 All matters to be decided by the Directors may be decided by a simple majority of Eligible Directors, with each Eligible Director having one vote PROVIDED THAT at least 50% of the GP Directors eligible to vote have voted in favour of the decision.
- 12.2 If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting (as the case may be) has a casting vote.
- 12.3 Article 13.2 does not apply if, in accordance with the Articles, the Chairman or other Director chairing the meeting (as the case may be) is not an Eligible Director, in which case an Eligible Director shall be appointed as chairman for the relevant meeting (or part of meeting).

13. CONFLICTS OF INTEREST

- 13.1 The Directors may, subject to article 10.4 and in accordance with the requirements set out in this article 13, authorise any Conflict.
- 13.2 Any authorisation under this article 13 will be effective only if:
- 13.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
- 13.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- 13.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 13.3 Any authorisation of a Conflict under this article 13 may (whether at the time of giving the authorisation or subsequently):
- 13.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- 13.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at

- meetings of the Directors or otherwise) related to the Conflict;
- 13.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
- 13.3.4 impose on the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- 13.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- 13.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 13.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 13.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 13.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director) to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 13.7 For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 13.8 Subject to article 13.9, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive.

13.9 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

14. RECORDS OF DECISIONS TO BE KEPT

14.1 The Directors must ensure that the Company keeps a record in Writing of:

14.1.1 every unanimous or majority decision taken by the Directors; and

14.1.2 every declaration by a Director of an interest in an actual or proposed transaction with the Company.

14.2 The records described in article 14.1 must be kept:

14.2.1 for at least ten (10) years from the date of the decision or declaration recorded in it;

14.2.2 together with other such records; and

14.2.3 in such a way that it is easy to distinguish such records from the Company's other records.

15. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

APPOINTMENT AND REMOVAL OF DIRECTORS AND ALTERNATE DIRECTORS

16. APPOINTMENT OF DIRECTORS

16.1 For the purposes of this article 16, "person" shall refer to a natural person only.

16.2 Each Neighbourhood shall be permitted to appoint two Directors, at least one of which must be a GP Director, unless otherwise agreed by the Board from time to time.

GP Directors

16.3 There shall be a minimum of one GP Director per Neighbourhood, all of whom must:

16.3.1 be willing to act as a Director;

16.3.2 be a Medical Practitioner whose name is included on the GMC register;

16.3.3 be an Eligible Person;

- 16.3.4 be permitted by law to be a Director; and
- 16.3.5 not be a Defaulting Member or a Member under Default Notice or a member of a Medical Practice which is itself or whose Nominee is a Defaulting Member or Member under Default Notice.
- 16.4 Any person who satisfies the conditions in paragraphs 16.3.1 to 16.3.5 may be appointed to be a GP Director.
- 16.5 GP Directors shall be appointed by an Ordinary Resolution of the Member Practices taken within their respective Neighbourhood. Each Neighbourhood shall be permitted to appoint at least one GP Director unless otherwise agreed by the Board from time to time.

Other Directors

- 16.6 In the event that the Member Practices of a particular Neighbourhood have not appointed two GP Directors, the Neighbourhood shall be entitled to appoint pursuant to article 16.3, a non-GP Director, PROVIDED THAT said person must:
 - 16.6.1 be willing to act as a Director;
 - 16.6.2 be employed by a Medical Practice, including but not limited to as Practice Manager or Nurse Practitioner;
 - 16.6.3 be permitted by law to be a Director; and
 - 16.6.4 not be an employee of a Defaulting Member or a Member under Default Notice or a member of a Medical Practice which is itself or whose Nominee is a Defaulting Member or Member under Default Notice.
- 16.7 Any person who satisfies the conditions in paragraphs 16.6.1 to 16.6.4 may be appointed to be a Director.
- 16.8 Other Directors shall be appointed by an Ordinary Resolution of the Member Practices taken within their respective Neighbourhood following a majority vote of the Neighbourhood.
- 16.9 In any case where, as a result of death, the company has no Members and no Directors, the personal representatives of the last Member to have died shall have the right, by notice in writing, to appoint a person, who is willing to act and is permitted to do so, to be a Director.
- 16.10 In any case where, as a result of Bankruptcy the company has no Members and no Directors, the transmittee(s) of the last Member to have a Bankruptcy order made against him may, by notice in writing, appoint a person (including a transmittee), who is willing to act and is permitted to do so, to be a Director.

17. TERMINATION OF DIRECTOR'S APPOINTMENT

- 17.1 A person ceases to be a Director as soon as:
- 17.1.1 the occurrence of the first General Meeting following the second anniversary of the date on which they were appointed Director;
 - 17.1.2 that person ceases to be a Director by virtue of any provision of the Act;
 - 17.1.3 a Bankruptcy order is made against that person;
 - 17.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 17.1.5 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three (3) months;
 - 17.1.6 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
 - 17.1.7 that person ceases to satisfy the relevant criteria for their role as set out in article 16.3 for GP Directors and 16.6 for non-GP Directors; or
 - 17.1.8 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms.
- 17.2 In addition to the Members' rights under statute, a Director may be removed from office by a majority decision of the members in the Neighbourhood from which the Director was appointed if, for example, the Director has not acted in accordance with the duties and obligations of a Director, as set out by the Company from time to time.
- 17.3 A Director may be removed from office by a majority decision of the Directors if, for example, the Director has not acted in accordance with the duties and obligations of a Director, as set out by the Company from time to time.
- 17.4 In accordance with Article 17.1.1, Directors shall be required to retire by rotation at the first general meeting of the Company after their second anniversary in office PROVIDED THAT at that general meeting at least 1 Director is appointed to or shall remain in office as Director to ensure that the Company always has at least 1 Director at any time.
- 17.5 For the avoidance of doubt, any Director who is required to retire by rotation pursuant to Article 17.4 may offer themselves for reappointment in accordance with the provisions on appointment set out under these Articles.

17.6 If a Director is required to retire in accordance with paragraph 17.4 their retirement shall take effect on the conclusion of the applicable general meeting.

18. DIRECTORS' REMUNERATION

18.1 Directors may undertake any services for the Company that the Directors decide.

18.2 Subject to the Act, the Articles and the terms of any service contract between the Director and the Company, Directors are entitled to such remuneration as the Members determine:

18.2.1 for their services to the Company as Directors; and

18.2.2 for any other service which they undertake for the Company.

18.3 Subject to the Articles, a Director's remuneration may:

18.3.1 take any form, and

18.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

18.4 Unless the Members decide otherwise, Directors' remuneration accrues from day to day.

18.5 Unless the Members decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

19. DIRECTORS' EXPENSES

19.1.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

19.1.2 meetings of Directors or committees of Directors,

19.1.3 general meetings, or

19.1.4 separate meetings of the Holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

20. ALTERNATE DIRECTORS

20.1 Any Director (an Appointer) may appoint as an Alternate any other Director or any person who satisfies the criteria in article 18 that the Appointer was required to satisfy on appointment and who is approved by the Directors

other than the Appointer, to:

- 20.1.1 exercise the Appointer's powers; and
- 20.1.2 carry out the Appointer's responsibilities;
in relation to the taking of decisions by the Directors in the absence of the Alternate's Appointer for specific reasons as approved by the Directors.
- 20.2 Any appointment or removal of an Alternate must be effected by notice in writing to the Company signed by the Appointer or in any other manner approved by the Directors.
- 20.3 A notice under article 20.2 must:
 - 20.3.1 identify the proposed Alternate; and
 - 20.3.2 in the case of a notice of appointment, contain a statement signed by the proposed Alternate that the proposed Alternate is willing to act as the Alternate of the Appointer and satisfies the conditions set out in article 20.1.
- 20.4 An Alternate may act as Alternate to more than one Director and has the same rights in relation to any decision of the Directors' as his Appointer.
- 20.5 Except as the Articles specify otherwise, Alternates:
 - 20.5.1 are deemed for all purposes to be Directors;
 - 20.5.2 are liable for their own acts and omissions;
 - 20.5.3 are subject to the same restrictions as their Appointers; and
 - 20.5.4 are not deemed to be agents of or for their Appointers,
and, in particular (without limitation), each Alternate shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointer is a member.
- 20.6 A person who is an Alternate but not a Director:
 - 20.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if his Appointer is not participating);
 - 20.6.2 may participate in a unanimous decision of the Directors pursuant to article 7 (but only if his Appointer is an Eligible Director in relation to that decision but does not participate); and
 - 20.6.3 may be counted as more than one Director for the purposes of articles 22.6.1 and 22.6.2 if acting as Alternate for more than one Director.
- 20.7 A Director who is also an Alternate is entitled in the absence of his Appointer, to a separate vote on behalf of his Appointer, in addition to his own vote on any decision of the Directors (provided that his Appointer is an

Eligible Director in relation to that decision).

- 20.8 An Alternate may be paid expenses and may be indemnified by the Company to the same extent as his Appointer but shall not be entitled to receive any remuneration from the Company for serving as an Alternate except such part of the Appointer's remuneration as the Appointer may direct by notice in Writing to the Company.

PART 3 SHARES AND DISTRIBUTIONS

SHARES

21. GENERAL PROVISIONS RELATING TO SHARES

- 21.1 With the exception of Shares taken on the formation of the Company by the subscribers to the Company's Memorandum, no Share is to be issued for less than the aggregate of its nominal value and any premium to be Paid to the Company in consideration for its issue.
- 21.2 The Company shall have a first and paramount lien on all Shares standing registered in the name of any person indebted or under liability to the Company for all moneys presently payable by him or his estate to the Company.
- 21.3 The Shares shall be divided into two classes of Share: Class A Shares and Class B Shares.
- 21.4 A Class A Share is an ordinary redeemable Share with a nominal value of £1.00 (one pound sterling) which confers a right to one vote per shareholding notwithstanding the number of Class A Shares held; and
- 21.5 A Class B Share is an ordinary Share with a nominal value of £1.00 (one pound sterling) which confers no rights on the Holder save for when the Holder is the only remaining Member of the Company at which point the Share shall confer the same rights as a Class A Share.
- 21.6 No person may hold a Share or Shares or own a beneficial interest in a Share or Shares unless he is an Eligible Person.

22. ALLOTMENT OF SHARES

- 22.1 Subject to the Articles, but without prejudice to the rights attached to any existing Share, following the passing of an Ordinary Resolution, the Company may issue Shares with such rights or restrictions as may be determined as part of that Ordinary Resolution.
- 22.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Holder, and the Directors

may determine the terms, conditions and manner of redemption of any such Shares provided that the sum to be paid by the Company on a redemption shall not exceed the nominal value of the Share.

22.3 Shares shall generally be allotted to Medical Practices, whether directly to a sole practitioner, company or to a Nominee, unless the Members agree otherwise.

22.4 One Class B Share only shall be issued at any one time. The Holder of the Class B Share from time to time shall be a Holder of Class A Shares to be decided by the Directors.

22.5 The Directors shall make a condition of allotment of Shares that:

22.5.1 no share certificate shall be issued;

22.5.2 the Holder shall be an Eligible Person and shall not hold the Shares on trust for any person other than an Eligible Person;

22.5.3 all Shares shall be Fully Paid; and

22.5.4 any person to whom the Shares are transferred shall be subject to the same restrictions as those set out in paragraphs 22.5.1 to 22.5.3 of this article 22.5.

22.6 Subject to article 5.3 the Directors shall have authority to allot Shares in accordance with these Articles.

22.7 The pre-emption rights contained in section 561 and article 28 of the Act shall not apply to:

22.7.1 any Defaulting Member or Member under Default Notice; or

22.7.2 to any allotment or transfer of a Class B Share,

and no Class B Share shall be taken into account when determining the Shares to which a Member is entitled pursuant to section 561 of the Act.

23. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS

Except as required by law and as expressly provided in these Articles, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the Holder's absolute ownership of it and all the rights attaching to it.

24. SHARE CERTIFICATES

No share certificate shall be issued in respect of any Share.

25. AUTHORITY TO PURCHASE OWN SHARES

25.1 Subject to the provisions of the Act the Company may purchase its own

Shares (including Shares which are redeemable) and make a payment in respect of the redemption or purchase of its own Shares as authorised by these Articles otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares.

- 25.2 The purchase of the Company's own Shares may be within such limits as may be specified by the Company in general meeting in compliance with the provisions of the Act and the Company may enter into or vary any contract for such purchase. Every such purchase or contract providing for the purchase by the Company of Shares in the Company shall be authorised by such resolution or resolutions of the Company as may be required by the Act.

26. TRANSFER AND TRANSMISSION OF SHARES

- 26.1 Notwithstanding any other provisions in these Articles, Shares may only be transferred to an Eligible Person and the transferee must agree to be bound by the conditions set out in article 22.6 with references to the Holder therein being treated as references to the transferee and references to allotment being treated as references to transfer.

- 26.2 Shares may be transferred by means of an Instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor.

- 26.3 No fee may be charged for registering any Instrument of transfer or other Document relating to or affecting the title to any Share.

- 26.4 The Company may retain any Instrument of transfer which is registered.

- 26.5 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.

- 26.6 The Directors may refuse to register the transfer of a Share:

- 26.6.1 to a person who is not an Eligible Person or to a person who is currently an Eligible Person but whom the Directors reasonably believe may within the next twelve (12) months cease to be an Eligible Person;

- 26.6.2 to a person of whom they do not approve save that the Directors shall not be entitled to refuse to transfer a Share pursuant to this paragraph (b) where the transfer is in accordance with articles 26.10 or 26.11;

- 26.6.3 if it is not lodged at the registered office of the Company or such other place as the Directors may appoint; or

- 26.6.4 if it is not accompanied by:

- (a) such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and

- (b) such other information as they may reasonably require, including evidence that the transfer satisfies in all respects the provisions of these Articles.
- 26.7 If the Directors refuse to register a transfer of a Share they shall, within two (2) months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
- 26.8 The provisions of this article apply in addition to any restrictions on the transfer of a share which may be set out elsewhere in the Articles.
- 26.9 If title to a Share passes to a Transmtee, the Company shall not register such person as a Member unless such person is an Eligible Person approved by the Members.
- 26.10 Where two (2) or more Medical Practices merge to form a single Medical Practice, the merged Medical Practice shall within one (1) month of the merger nominate a single Nominee (who shall be an Eligible Person) to hold the Shares previously held by or on behalf of the two (2) or more Medical Practices and shall notify such person to the Company. Thereafter the merged Medical Practice shall be treated as a single Medical Practice for the purpose of these Articles. All Shares held on behalf of the merged Medical Practice shall be transferred to the Nominee for the merged Medical Practice.
- 26.11 A Member who is a Nominee may transfer all his Class A Shares to a partner in his Medical Practice (to act as a replacement Nominee) provided he gives advance notice in writing to the Directors. Article 28 shall not apply in these circumstances.
- 26.12 Where Class A Shares are transferred pursuant to articles 26.10, 26.11 or 27.5, the Directors may either require that the transferor's Class B Share (if any) is transferred to the transferee or may nominate that such Class B Share is transferred to another Member to be decided by the Directors.

27. DEFAULTING MEMBERS

- 27.1 A Member shall be deemed to be a Defaulting Member if:
- 27.1.1 subject to article 26.9, he dies;
- 27.1.2 he or any partner in his Medical Practice (if applicable) ceases to be an Eligible Person;
- 27.1.3 he suffers from permanent ill health or mental disability which renders it impossible for him to perform his obligations to the Company; or
- 27.1.4 he allows any person other than a partner in his Medical Practice (if applicable) to own a beneficial interest in his Shares; or

- 27.1.5 he has been allotted Shares by virtue of being a partner in his Medical Practice and his Medical Practice ceases to hold an NHS contract for the provision of primary care medical services in Doncaster or surrounding areas.
- 27.1.6 in the reasonable opinion of the Directors, the Member:
- (a) is guilty of conduct which has or is likely to have a serious adverse effect on the Company or bring the Company or any or all of the Members and Directors into disrepute;
 - (b) has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole; or
 - (c) has failed to observe the terms of these Articles.
- 27.2 If circumstances arise such that a Member becomes aware, or should reasonably be expected to become aware, that he or she is or is likely to become a Defaulting Member, he shall immediately serve a Default Notice on the Company and, if applicable, on his Medical Practice and he shall forthwith become a Member under Default Notice.
- 27.3 If the Directors become aware that a Member has or is likely to become a Defaulting Member but no Default Notice has been served on the Company pursuant to article 27.1.6(b) the Directors shall forthwith serve a Default Notice on the Member and on the Member's Medical Practice (if applicable) and the Member shall forthwith become a Member under Default Notice.
- 27.4 A Default Notice shall state:
- 27.4.1 the circumstances which have arisen or which are likely to arise which have caused or are likely to cause a Member to become a Defaulting Member with reference to the relevant paragraph or paragraphs of article 27.1.6(b); and
 - 27.4.2 the date or, if the precise date is not known, an estimated date, upon which these circumstances arose or are likely to arise.
- 27.5 A Member under Default Notice who is not yet a Defaulting Member and who holds Shares as a Nominee shall if practicable immediately transfer all his Class A Shares to another Eligible Person in his Medical Practice or remove said person who ceases to be an Eligible Person from the Medical Practice except where in the reasonable opinion of the Directors the default giving rise to the Default Notice is caused by the Member's Medical Practice. Article 28 shall not apply in these circumstances.
- 27.6 If a Member under Default Notice is not yet a Defaulting Member and the Member is either not a Nominee or is not able to transfer his Class A Shares

to another person in his Medical Practice:

- 27.6.1 if the Directors determine that there is sufficient time to follow the procedure set out in article 28 before the Member becomes a Defaulting Member, the Member's Class A Shares may be offered for sale pursuant to article 28. The Directors shall serve notice on the Member under Default Notice requesting that he or she serves a Transfer Notice pursuant to article 28.3 within seven (7) days and if the Member under Default Notice fails to do so he or she shall be deemed to have served a Transfer Notice and his Class A Shares shall be offered for sale at nominal value or such other price as the Directors shall in their discretion determine, subject always to the Articles;
- 27.6.2 notwithstanding article 27.6.1, if the Directors determine at any time that there is insufficient time to follow the article 28 procedure before the Member under Default Notice becomes a Defaulting Member, the Company may at any time specified by them ("the Redemption Date") redeem the Member's Class A Shares by notice in writing; and
- 27.6.3 the Member under Default Notice shall immediately transfer any Class B Share held by him to a Member nominated by the Directors and such person shall accept a transfer of such Share and pay the Defaulting Member or Member under Default Notice (as the case may be) nominal value for such Share within 28 days of the date of the transfer.
- 27.7 For the purposes of article 27.6.2 and article 27.9.2 the Directors shall determine whether there are sufficient distributable profits, having regard to the present and future requirements of the Company, to pay nominal value for the redeemed Class A Shares and, if so, as soon as reasonably practicable after the Redemption Date the Company shall pay to the Member under Default Notice the amount payable for his Class A Shares and the redeemed Shares shall be cancelled. If the Directors determine that there are not sufficient distributable profits to pay nominal value for the Class A Shares, the Shares shall be redeemed at zero value.
- 27.8 If the circumstances giving rise to a Default Notice fail or cease to occur or apply as the case may be before a Member under Default Notice transfers his or her Shares or before his Shares are redeemed pursuant to article 27.6 and/or 29.7, the Member under Default Notice may serve a request on the Company to cancel the Default Notice and the Directors may, in their discretion, either cancel the Default Notice or confirm that the Default Notice still stands by serving notice on the Member under Default Notice, and such notice shall give reasons for the Directors' decision. If the Directors decide to cancel the Default Notice then the Member may continue to hold his Shares. Otherwise, the procedure in article 27.6 shall continue.
- 27.9 If a Member becomes a Defaulting Member:

- 27.9.1 all rights in respect of his or her Shares shall cease with immediate effect until such time as the Shares are transferred to an Eligible Person;
- 27.9.2 all the Defaulting Member's Class A Shares shall immediately be redeemed at no more than nominal value and cancelled and the Company and the Defaulting Member shall be deemed to have done everything required so as to redeem such Shares with immediate effect; and
- 27.9.3 the Defaulting Member shall immediately transfer any Class B Share held by him to a Member nominated by the Directors and such person shall accept a transfer of such Share and shall pay the Defaulting Member a sum equal to the nominal value for each Share transferred.
- 27.10 If any redemption may not take place as a matter of law at any time set out above, it shall take place at the earliest available date thereafter.
- 27.11 If, following the procedure in article 27.9, it is demonstrated to the Directors' satisfaction that the Member was wrongly classed as a Defaulting Member, that Member or the Member's Medical Practice (if applicable) may apply to the Directors for new Class A Shares to be allotted to him or to another Eligible Person in his Medical Practice (if applicable) and the Directors shall allot new Class A Shares in accordance with article 22.
- 27.12 If, following the procedure in article 27.9, it is demonstrated to the Directors' satisfaction that the Defaulting Member's Medical Practice has satisfactorily resolved issues which led to a Member holding Shares on their behalf becoming a Defaulting Member, the Medical Practice may apply for the Directors to allot new Class A Shares and the Directors may allot new Shares to a Nominee of that Medical Practice in accordance with article 22.
- 27.13 All Members shall be deemed to appoint the Directors and each of them as his or her attorney to transfer their Shares and to execute all such other documents and to do all such other acts in respect thereof as the Directors think fit in order to avoid a situation arising where any Share is held by a person who is not an Eligible Person (including the power to appoint one or more persons to act as a substitute attorney and to exercise one or more of the powers conferred on the Directors by this power of attorney).
- 27.14 Nothing herein contained shall release the estate of a deceased Member from any liability in respect of any Share held by him.
- 27.15 If there is any dispute as to whether a Member was wrongly classed as a Defaulting Member or a Member under Default Notice, the Member in question or the Company may refer the matter to a legal expert. In the absence of the relevant parties being able to agree on the appointment of a legal expert, the President of the Law Society shall be asked to appoint such expert. The legal expert's decision on the matter and on the allocation

between the parties of his costs and expenses in determining the matter shall be final.

27.16 If a Default Notice is cancelled pursuant to article 27.8 or if article 27.11 or 27.12 applies and the Member in question or his Medical Practice was excluded from an allotment or transfer of Shares as a result of his being a Defaulting member or Member under Default Notice the Directors shall take such action as necessary to ensure that the Member is allotted or transferred additional Class A Shares at the same price per Share as applied to the allotment or transfer process from which the Member or his Medical Practice was excluded so as to ensure that the Member holds the same number of Shares as he would have held had he not been excluded from such process.

28. TRANSFER OF CLASS A SHARES AND PRE-EMPTIVE RIGHTS IN RESPECT THEREOF

28.1 This article 28 applies when:

28.1.1 a Member who is neither a Member under Default Notice nor a Defaulting Member wishes to transfer his Class A Shares; or

28.1.2 the Directors have decided under article 27.6.1 that the Class A Shares held by a Member under Default Notice may be transferred pursuant to this article 28.

28.2 Subject to article 27, no Class A Shares in the Company shall be transferred (which expression shall include any disposition of any legal equitable interest in any Share and whether by gift sale mortgage or otherwise) unless and until the procedure set out in this article 27 has been duly complied with and the obligations and conditions have been exhausted.

28.3 Any Member to whom article 28.1 applies (a "Selling Member") shall give notice in writing (a "Transfer Notice") to the Company.

28.4 The Transfer Notice shall propose a price for the Shares which shall be no more than their nominal value and shall irrevocably appoint the Company as agent for the sale of all (and not part) of the Selling Member's Class A Shares (the "Sale Shares") at such price. The Transfer Notice shall be irrevocable except with the sanction of the Directors.

28.5 If a Member to whom article 27.6.1 applies fails to serve a Transfer Notice within seven (7) days of being requested to do so by the Directors, the Directors shall in their absolute discretion determine the price at which the Shares shall be offered for sale in accordance with this article 28 and, for the avoidance of doubt, such price shall be nominal value.

28.6 On receipt of a Transfer Notice the Company shall have the right of first

refusal to acquire the Sale Shares capitalised.

28.7 In the event that the Company has not exercised its right to acquire the Sale Shares in accordance with article 28.6 within 30 days of receipt of the Transfer Notice, the Directors shall serve notice (the "Offer Notice") on all Holders of Class A Shares (except for the Selling Member and any Members who are Members under Default Notice or Defaulting Members) and such Offer Notice shall:

28.7.1 offer for sale the Sale Shares at the price specified in the Transfer Notice or determined by the Directors under article 28.5; and

28.7.2 invite the intended recipients to apply in writing to the Company within fourteen (14) days of the date of the Offer Notice or such other period as the Directors shall reasonably determine (the "Offer Period").

28.8 Any Holder of Class A Shares upon whom an Offer Notice has been served wishing to purchase any number of the Sale Shares (the "Applicant") shall apply to the Company in writing within the Offer Period stating the number of Sale Shares he or she wishes to purchase at the price in the Offer Notice.

28.9 If the total number of Shares which the Applicants wish to purchase exceeds the number of Sale Shares the Directors shall on expiry of the Offer Period allocate the Sale Shares as follows:

28.9.1 an Applicant shall be entitled to that proportion, without involving fractions, of the Sale Shares that his or her Class A shareholding at the expiry of the Offer Period bears to the total Class A shareholdings of all the Applicants at such date, without involving fractions (the "Pre-emption Proportion"), or the amount of Sale Shares applied for, whichever is the lower amount;

28.9.2 an Applicant who wishes to purchase more than his or her Pre-emption Proportion (an "Excess Proportion") shall receive that proportion of any remaining unallocated Sale Shares as his or her Excess Proportion bears to the total Excess Proportions of any Applicants who also wish to purchase Excess Proportions

and for the purposes of this article 28.9, fractions of Shares shall be rounded to the nearest whole Share or otherwise dealt with at the discretion of the Directors.

28.10 If the total number of Sale Shares can be allocated under article 28.9 the Directors shall within seven (7) days of the expiry of the Offer Period notify the Applicants of their allocation and shall inform the Selling Member of the identity of the Applicants and the number of Sale Shares allocated to each of them. The Selling Member shall transfer the Sale Shares to the Applicants in accordance with such allocation within fourteen (14) days of

receiving notification from the Directors and the Applicants shall pay to the Selling Member the purchase price per Share specified in the Offer Notice.

- 28.11 If there are no or insufficient acceptances of Sale Shares by Holders of Class A Shares the Selling Member may transfer any unallocated Class A Shares to any Eligible Person approved in writing by the Directors at the price per Share specified in the Offer Notice within such timeframe as the Directors shall determine. Shares sold pursuant to this article 28.11 may not be sold at less than the price per Share specified in the Offer Notice or, if a revised Offer Notice has been served under article 28.8, the revised Offer Notice.
- 28.12 If any of the Selling Member's Class A Shares remain unsold after the process in paragraph 30.10 has been exhausted, the Company shall purchase the Shares in accordance with these Articles at a price to be determined by the Directors with reference to the Company's distributable profits and, for the avoidance of doubt, the Company shall pay no more than the nominal value per Share. Alternatively the Selling Member other than a Member to whom article 27.6.1 applies may elect to retain such Shares.
- 28.13 The Selling Member shall transfer any Class B Share held by him to a Member nominated by the Directors and such person shall accept a transfer of such Share(s) and pay the Selling Member nominal value for the Share(s) within twenty-eight (28) days of the date of transfer.

29. APPLICATION OF PROFITS

- 29.1 The income and property of the Company from wherever derived shall be applied solely in promoting the Company's objects.
- 29.2 The Company is not established or conducted for private gain. Any surplus or assets are used principally for the benefit of the community.
- 29.3 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company of:
- 29.3.1 reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
- 29.3.2 any interest on money lent by any Member or any Director at a reasonable and proper rate;
- 29.3.3 reasonable and proper rent for premises demised or let by any Member or Director; or
- 29.3.4 reasonable out-of-pocket expenses properly incurred by any Director.

PART 4 DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

30. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 30.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 30.2 A person is able to exercise the right to vote at a general meeting when:
- 30.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 30.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 30.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 30.4 In determining attendance at a general meeting, it is immaterial whether any two (2) or more members attending it are in the same place as each other.
- 30.5 Two (2) or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

31. QUORUM FOR GENERAL MEETINGS

- 31.1 No business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 31.2 The quorum for a general meeting shall be a number of persons, each being a Member or a proxy for a Member, representing at least 51% of the Members for the time.

32. CHAIRING GENERAL MEETINGS

- 32.1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.
- 32.2 If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within thirty (30) minutes of the time at which a meeting was due to start:
- 32.2.1 the Directors present, or

32.2.2 (if no Directors are present), the meeting, must appoint a Director or Member to chair the meeting, and the appointment of the Chairman of the meeting must be the first business of the meeting.

32.3 The person chairing a meeting in accordance with this article is referred to as “the Chairman of the meeting”.

33. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS

33.1 Directors may attend and speak at general meetings, whether or not they are Members.

33.2 The Chairman of the meeting may permit other persons who are not:

33.2.1 Members of the Company, or

33.2.2 otherwise entitled to exercise the rights of Members in relation to general meetings,

to attend and speak at a general meeting.

34. ADJOURNMENT

34.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the meeting must adjourn it.

34.2 The Chairman of the meeting may adjourn a general meeting at which a quorum is present if:

34.2.1 the meeting consents to an adjournment, or

34.2.2 it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

34.3 The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

34.4 When adjourning a general meeting, the Chairman of the meeting must:

34.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and

34.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

34.5 If the continuation of an adjourned meeting is to take place more than fourteen (14) days after it was adjourned, the Company must give at least seven (7) clear days' notice of it (that is, excluding the day of the adjourned

meeting and the day on which the notice is given):

- 34.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and
- 34.5.2 containing the same information which such notice is required to contain.
- 34.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

35. VOTING: GENERAL

- 35.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.
- 35.2 A person who is not a Member shall not have a vote at a general meeting; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures.

36. ERRORS AND DISPUTES

- 36.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 36.2 Any such objection must be referred to the Chairman of the meeting, whose decision is final.

37. POLL VOTES

- 37.1 A poll on a resolution may be demanded:
 - 37.1.1 in advance of the general meeting where it is to be put to the vote, or
 - 37.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 37.2 A poll may be demanded by:
 - 37.2.1 the Chairman of the meeting;
 - 37.2.2 the Directors;
 - 37.2.3 two (2) or more persons having the right to vote on the resolution; or
 - 37.2.4 a person or persons representing not less than one fifth of the total voting rights of all the Members having the right to vote on the resolution.
- 37.3 A demand for a poll may be withdrawn if:

- 37.3.1 the poll has not yet been taken, and
- 37.3.2 the Chairman of the meeting consents to the withdrawal.
- 37.4 Polls must be taken immediately and in such manner as the Chairman of the meeting directs.

38. CONTENT OF PROXY NOTICES

- 38.1 Proxies may only validly be appointed by a notice in Writing (a “Proxy Notice”) which:
 - 38.1.1 states the name and address of the Member appointing the proxy;
 - 38.1.2 identifies the person appointed to be that Member’s proxy and the general meeting in relation to which that person is appointed;
 - 38.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - 38.1.4 is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 38.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 38.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions. For the avoidance of doubt, a proxy shall only be entitled to vote on and shall have the same number of votes in respect of a resolution as the member who appointed them would have had had they been in attendance at the applicable general meeting.
- 38.4 Unless a Proxy Notice indicates otherwise, it must be treated as:
 - 38.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - 38.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

39. DELIVERY OF PROXY NOTICES

- 39.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.
- 39.2 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in Writing given by or on behalf of the person by whom or

on whose behalf the Proxy Notice was given.

39.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

39.4 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointer's behalf.

40. AMENDMENTS TO RESOLUTIONS

40.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:

40.1.1 notice of the proposed amendment is given to the Company in Writing by a person entitled to vote at the general meeting at which it is to be proposed not less than forty-eight (48) hours before the meeting is to take place (or such later time as the Chairman of the meeting may determine), and

40.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.

40.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:

40.2.1 the Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

40.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

40.3 If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

41. WRITTEN RESOLUTIONS

41.1 The Members or a class of Members may, subject to section 288(2) of the Act, decide any matter required to be decided by them by written resolution in accordance with sections 288 to 300 of the Act.

PART 5 ADMINISTRATIVE ARRANGEMENTS

42. MEANS OF COMMUNICATION TO BE USED

42.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for Documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

42.2 Subject to the Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or Documents for the time being.

42.3 A Director may agree with the Company that notices or Documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty-eight (48) hours.

43. COMPANY SEALS

43.1 Any common seal may only be used by the authority of the Directors.

43.2 The Directors may decide by what means and in what form any common seal is to be used.

43.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a Document, the Document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

43.4 For the purposes of this article, an authorised person is:

43.4.1 any Director of the Company;

43.4.2 the Company secretary (if any); or

43.4.3 any person authorised by the Directors for the purpose of signing Documents to which the common seal is applied.

44. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

Except as provided by law or authorised by the Directors or an Ordinary Resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or Documents merely by virtue of being a Member.

45. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

46. INDEMNITY

46.1 Subject to paragraph (2), a relevant Director of the Company or an

associated company may be indemnified out of the Company's assets against:

- 46.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated Company,
- 46.1.2 any liability incurred by that Director in connection with the activities of the Company or an associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- 46.1.3 any other liability incurred by that Director as an officer of the Company or an associated Company.
- 46.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 46.3 In this article:
 - 46.3.1 companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate, and
 - 46.3.2 a "relevant Director" means any Director or former Director of the Company or an associated company.

47. INSURANCE

- 47.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss.
- 47.2 In this article:
 - 47.2.1 a "relevant Director" means any Director or former Director of the Company or an associated Company,
 - 47.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the Company, any associated Company or any pension fund or employees' Share scheme of the Company or associated Company, and
 - 47.2.3 companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate.