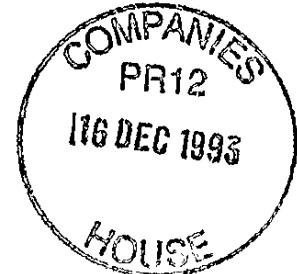


The British United Provident
Association Limited

Incorporated 3rd April 1947

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

Memorandum
and
Articles of Association



Reprinted: July 1993

LIMITED BY GUARANTEE
.. HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF

THE BRITISH UNITED PROVIDENT ASSOCIATION LIMITED

(As amended by Special Resolutions passed on the
28th March 1949, 25th June 1970, 14th June 1979,
and 10th June 1982)

1.* The name of the Company (hereinafter called "the Association") is "THE BRITISH UNITED PROVIDENT ASSOCIATION LIMITED".

2. The registered office of the Association will be situate in England.

3. The objects for which the Association is established are:-

- (A) To prevent, relieve and cure sickness and ill-health of every kind (including physical injuries) and to promote health in any way and in particular (but without derogating from the generality of the foregoing) to raise, establish, maintain and administer a fund (hereinafter called "the Provident Fund") for wholly or partially defraying the cost of medical, surgical and other like remedial, exploratory or preventive treatment of and services to contributors to the Association and their dependants and others and the expenses ancillary or incidental to any such treatment or services.

*The name of the Company was on 23rd May 1949, pursuant to a Licence of the Board of Trade under Section 19(2) of the Companies Act 1948, changed from "The British United Provident Association Limited" to "The British United Provident Association". On application by the Company, the Licence of the Board of Trade was revoked on 19th January 1970 and the name of the Company reverted to "The British United Provident Association Limited".

- (B) To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm, company, association or body carrying on or proposing to carry on any of the businesses which the Association is authorised to carry on, and, as part of the consideration for such acquisition, to undertake all or any of the liabilities of such person, firm, company, association or body, or to acquire an interest in, amalgamate with, or enter into any arrangement for co-operation or for mutual assistance with, or to make grants, donations or loans to, any such person, firm, company, association or body.
- (C) To make and carry into effect such agreements or arrangements with Governments or authorities (supreme, municipal, local or otherwise), hospitals, nursing homes, infirmaries, medical, surgical, remedial and other like institutions and with Physicians, Surgeons, Consultants, Specialists, members of the medical or nursing or other like professions and other persons as may appear conducive to the furtherance of any of the objects of the Association.
- (CC) To establish a scheme or schemes to pay cash benefits, benefits in kind and other gratuities or allowances, to any person or to the dependants of any person, who has contributed or subscribed to any such scheme and who is or has been disabled, sick, or suffering from ill-health of any kind (including physical injury).
- (D) To make suitable arrangements for the administration of the Provident Fund and of the Association and the carrying out of its objects and for the purpose to engage and to provide in whole or in part for the salaries or maintenance of officers, servants and employees and to support and subscribe to any object, and any institution, society or club whose work is calculated to promote the objects of the Association or to benefit its employees, and which may be connected with any town or place where the Association carries on its work; to give pensions, gratuities or charitable aid to any persons who may have been employed by or may have served the Association, or any Governor of the Association (whether or not such Governor has held any salaried office or place of profit with the Association) or the wives,

children, or other relatives or dependants of such persons; to make payment towards insurance for their benefit; to form or contribute or subscribe to provident, benefit or any similar funds and superannuation and pension funds or other schemes for the benefit of any such persons, or of their wives, children, or other relatives and dependants.

- (E) To raise or borrow money for the purposes of the Association on such terms and on such security, if any, as may be thought fit, and to make arrangements for the discharge or guarantee of all or any of the liabilities of the Association.
- (F) To invite and receive any property, endowment, legacy, bequest or gift for any purpose within the objects of the Association and to act as Trustees or Managers thereof.
- (G) To enter into such agreements or arrangements of whatever nature with organisations having objects similar to those of the Association as may be calculated to further the objects of the Association.
- (H) To make grants or donations or loans to or to amalgamate or affiliate with any association or body which has objects similar to the objects of the Association and which is prohibited by its constitution from distributing its profits or assets among its members to at least as great an extent as the Association is so prohibited.
- (I) To promote or oppose or join in promoting or opposing any legislative or other measures affecting or likely to affect the work of the Association.
- (J) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property or any rights or privileges which the Association may think necessary or convenient for the promotion of its objects, and to construct, maintain and alter any buildings or erections necessary or convenient for the work of the Association.
- (K) To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Association as may be thought expedient with a view to the furtherance of its objects.

- (L) To act as agents, brokers and trustees for any person, firm or company and to act in any of the businesses of the Association through or by means of agents, brokers or others and generally to undertake and transact all kinds of agency or other business which an ordinary individual may legally undertake.
- (M) To invest the moneys of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.
- (N) To lend or advance money to any person or persons upon such security, and on such terms as to repayment and interest, or otherwise, as may be thought fit, and to give guarantees in respect of the fulfilment of any contracts or obligations, and to become surety for, or otherwise financially aid, any person or persons as the Board may decide.
- (O) To establish and support or aid in the establishment or support of any charitable or benevolent association or institution and to subscribe or guarantee money for charitable or benevolent purposes in any way connected with the purposes of the Association or calculated to further its objects.
- (P) To do all such lawful things as are incidental or conducive to the attainment of the above objects or any of them.

4. The income and property of the Association, whencesoever derived, shall be applied solely towards the promotion of the objects of the Association as set forth in this Memorandum of Association, and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the Members of the Association.

Provided that nothing herein shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Association, or to any Members of the Association in return for any services actually rendered to the Association, nor prevent the payment of interest at a rate not exceeding five per cent. per annum on money lent or reasonable and proper rent for premises demised or let by any Member to the Association.

5. The liability of the Members is limited.

6. Every Member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he is a Member or within one year after he ceases to be a Member for payment of the debts and liabilities of the Association contracted before he ceases to be a Member and of the costs, charges and expenses of winding up and for the adjustment of the rights of contributories among themselves such amount as may be required, not exceeding two shillings and six pence (thirteen New Pence).

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

THE COMPANIES ACT 1985

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

THE BRITISH UNITED PROVIDENT ASSOCIATION LIMITED

(As adopted by Special Resolution passed on the 25th June 1970 and altered by Special Resolutions passed on the 3rd July 1975, 10th June 1982, 20th June 1985, 14th June 1988, 3rd July 1990 and 7th June 1993)

PRELIMINARY

1. In these Articles, unless there be something in the subject or context inconsistent therewith -

"Association" means the above-named Company.

"The Act" means the Companies Act 1985.

"The Board" means the Board of Governors for the time being of the Association, and reference in the Act to "Board of Directors" and "Board" shall be deemed to be references to the Board of Governors.

"Governor" means a member for the time being of the Board and references in the Act to "Directors" shall be deemed to be references to "Governors".

Words importing the masculine gender only shall include the feminine; and words importing the singular number only shall include the plural and vice versa.

Words or expressions used in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof in force at the date on which these Articles become binding on the Company.

MEMBERS GENERALLY

2. For the purpose of registration, the number of Members is declared to be 200. The Board may, whenever the circumstances of the Association require it, register an increase of Members.

THE COMPANIES ACT 1985

COMPANY LIMITED BY GUARANTEE
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OF

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Words or expressions used in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof in force at the date on which these Articles become binding on the Company.

MEMBERS GENERALLY

2. For the purpose of registration, the number of Members is declared to be 200. The Board may, whenever the circumstances of the Association require it, register an increase of Members.

3. (1) The subscribers to the Memorandum of Association and such other persons as shall be admitted to membership by the Board in accordance with the succeeding paragraphs of this Article shall, subject to Article 4, be Members, and shall be entered in the Register of Members accordingly. The Board shall have an absolute discretion as to the admission or rejection by them of an application for membership of the Association received from any person who has not been invited by the Board to become a Member in accordance with paragraph (3) of the Article.
- (2) All persons who are Members at the date of the adoption of this Article shall continue to be Members, subject only to the provision of Article 6 and paragraphs (1) to (6) inclusive of Article 8(A).
- (3) The Board may at any time after the date of the adoption of this Article invite any person to become a Member, who is in any of the following categories:-
- (a) a subscriber to the Association, whether as an individual or as a member of a group of subscribers;
 - (b) a person not within sub-paragraph (a) of this Article 3(3) who shall be recognised by the Board as interested in or as having supported or being likely to support the objects and interests of the Association.
- (4) Any person invited by the Board to become a Member in accordance with paragraph (3) of this Article shall, as a condition precedent to admission to membership, comply with Article 4.

4. No person shall be admitted as a Member unless he shall sign an application in writing in such form as shall from time time be approved by the Board.

5. Every Member shall be bound to further to the best of his ability the objects and interest of the Association and shall observe all regulations and bye-laws of the Association.

6. Any Member who fails to observe any of the regulations or bye-laws of the Association may be expelled from membership of the Association by a resolution passed by a majority of at least three-fourths of the Governors present and voting at a meeting of the Board specially summoned for that purpose. Not less than seven days' notice of the meeting shall be given to the Member concerned and the notice shall state the purpose for which the meeting is called. Such Member may attend the meeting and be heard but shall not be present when voting takes place. The decision of the meeting shall be forthwith notified in writing to such Member.

7. Membership shall be personal to the Member and shall not be transferable by act of the Member or by operation of law.

8. (A) A Member shall cease to hold that position:-

- (1) If, being a qualified medical practitioner, he is struck off the Medical Register.
- (2) If he becomes of unsound mind or permanently incapable of acting.
- (3) If he becomes bankrupt or makes any arrangement with his creditors.
- (4) If he sends to the Association notice in writing of his retirement.
- (5) If he is removed under the provisions of Article 6.
- (6) At the conclusion of the Annual General Meeting following his 70th birthday unless he is already 70 or more at the date of adoption of this Article or unless the Board otherwise determine.
- (7) If, as a person appointed under Article 3(3)(a), he ceases to be a subscriber to the Association (either as an individual or as a member of a group of subscribers).
- (8) If, as a person falling within sub-paragraph (b) of Article 3(3), he shall be required by the Board to resign his membership in accordance with paragraph (B) of this Article 8.

- (9) If, being a corporation, it is or becomes declared insolvent or a petition is presented or a meeting is convened for the purpose of considering a resolution or other steps are taken for its winding up (save for the purpose of and followed by a voluntary reconstruction or amalgamation previously approved in writing by the Association) or if a receiver, liquidator or similar officer is appointed in respect of all or any part of its business or assets.
- (B) The Board may at any time, by a resolution passed by a majority of at least three-fourths of the Governors present at the relevant meeting and voting, request in writing any person falling within sub-paragraph (b) of Article 3(3) to resign his membership, if the Board by such resolution resolve that in their reasonable opinion that person is no longer interested in or giving appropriate support to the objects and interests of the Association. If that person shall fail to comply with such request within 30 days, the Board may by a like majority resolve that the membership of such person be terminated forthwith. In relation to such further meeting, the provisions of Article 6 (save for the first sentence thereof) shall apply.
- (C) Any person may be admitted to Honorary Membership of the Association by invitation of the Board in accordance with the following provisions:-
- (1) A person admitted to Honorary Membership ("an Honorary Member") shall not be a Member of the Association for the purpose of these Articles, and accordingly shall have no liability to the Association in terms of Clause 6 of the Memorandum of Association.
 - (2) An Honorary Member shall be entitled to remain an Honorary Member until his death or until he shall resign his Honorary Membership by notice in writing to the Association whichever shall first occur.

- (3) An Honorary Member shall, notwithstanding the provisions of sub-paragraph (1) of this Article 8(C), be entitled to receive notice of and to attend all general meetings of the Association, but shall not be entitled to vote thereat.
- (4) An Honorary Member shall resign his Honorary Membership if requested so to do by notice in writing by the Association, resolved to be given by a unanimous resolution of the Board passed at a duly constituted meeting thereof.

GENERAL MEETINGS

9. The Association shall in each year hold a general meeting as an annual general meeting, in addition to any other general meeting in that year, and shall specify the meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one annual general meeting of the Association and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint.

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

11. The Board may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists as provided by Section 368 of the Act. If at any time there are not within the United Kingdom sufficient Governors capable of acting to form a quorum, any Governor or any two Members of the Association may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Governors.

NOTICE OF GENERAL MEETINGS

12. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty one days' notice at the least, and a meeting of the Association other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting, and, in case of special business, the general nature of that business and shall be given in manner hereinafter mentioned or in such other manner,

if any, as may be prescribed by the Association in general meeting to such persons as are, under the regulations of the Association entitled to receive such notices from the Association:-

Provided that a meeting of the Association shall, notwithstanding that it is called by shorter notice than that specified in this Regulation, be deemed to have been duly called if it is so agreed:-

- (a) in case of a meeting called as the annual general meeting, by all Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent. of the total voting rights at the meeting of all the Members.

13. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Member shall not invalidate any resolution passed or any proceeding at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

14. All business shall be deemed special that is transacted at an extraordinary general meeting, and all that is transacted at an annual general meeting shall also be deemed special with the exception of the consideration of the accounts and balance sheet, and the reports of the Board and Auditors, the election of Governors and other officers and the appointment or re-appointment of, and the fixing of the remuneration of, the Auditors.

15. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business; save as herein otherwise provided, five Members present shall be a quorum.

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

17. The Chairman of the Board shall preside as Chairman at any general meeting of the Association at which he is present. If the Chairman be not present within fifteen minutes after the time appointed for holding the meeting the Deputy Chairman, if present, shall take the Chair; if the Deputy Chairman be not present, the Members present shall choose another Governor who is present and willing to act as Chairman of the meeting; but if there is no such Governor present then the Members present shall choose one of their own number to be Chairman of the meeting.

18. The Chairman of any meeting at which a quorum is present may, with the consent of that meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as an original meeting, but save as aforesaid the Members shall not be entitled to notices of any adjournment or of the business to be transacted at an adjourned meeting.

19. The decision of a meeting shall be ascertained by a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded by the Chairman or by at least three Members of the Association personally present and entitled to vote or by one or two Members personally present and with such right representing (either by proxy or as a corporation in accordance with Article 32 or both) respectively two or one other Members of the Association having the right to attend and vote and unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or lost or carried or not carried by a particular majority, shall be conclusive, and an entry in the minutes, signed by the Chairman, shall be conclusive evidence of the decision of the meeting without proof of the number or proportion of votes cast in favour of or against any resolution. Subject to the provisions of Article 20, if a poll be demanded in manner aforesaid it shall be taken at such time and place and in such manner as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

20. No poll shall be demanded on the election of a Chairman or on any question of adjournment. The demand of a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded.

21. In case of an equality of votes, either on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.

22. A resolution in writing signed by all the Members of the Association shall be as valid as if it has been passed at a general meeting except in any case in which under the provisions of the Act it is necessary to hold a general meeting.

VOTES OF MEMBERS

23. Every Member shall have one vote.

24. No Member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the Association have been paid.

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

26. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Association.

27. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Association or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the persons named in the instrument propose to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

28. An instrument appointing a proxy shall be in the following form or as near thereto as circumstances admit:-

"THE BRITISH UNITED PROVIDENT ASSOCIATION LIMITED

I/We
of
in the County of , being a
Member/Members of the above named Association, hereby
appoint
of
or failing him
of

as my/our proxy to vote for me/us on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the Association to be held on the day of 19 , and at any adjournment thereof.

Signed this day of 19 .

A proxy need not be a Member of the Association."

29. Where it is desired to afford Members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

"THE BRITISH UNITED PROVIDENT ASSOCIATION LIMITED

I/We
of
in the County of , being a
Member/Members of the above named Association, hereby
appoint
of
or failing him
of
as my/our proxy to vote for me/us on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the Association to be held on the day of 19 , and at any adjournment thereof.

Signed this day of 19 .

This form to be used *in favour of the resolution.
against

Unless otherwise instructed, the proxy will vote as he thinks fit.

*Strike out whichever is not desired.

A proxy need not be a Member of the Association."

30. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

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

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

32. Any corporation which is a Member of the Association may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Association, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Association.

BOARD

33. The Governors shall not be less than ten in number. The Association may by Ordinary Resolution from time to time vary the minimum number of Governors.

34. No person shall be eligible to hold office as a Governor who is not a Member of the Association. If any person who is not already a Member of the Association shall be appointed or elected to the Board he shall be deemed to have been duly invited to become a Member of the Association and he shall forthwith comply with Article 4.

35. Subject to the provisions of Article 55, the remuneration (including emoluments) of Governors (except the Chief Executive appointed in accordance with Article 37 and any other salaried employee of the Association who may be appointed or elected as a Governor) shall not exceed in aggregate the amount per annum determined from time to time by the Association in general meeting with power to the Association in general meeting from time to time to vary such remuneration. Such remuneration (or such part thereof as may be determined by the Board) shall be divided amongst the Governors (except as aforesaid) in such proportions and manner as the Governors may determine. Subject to any such determination, any Governor holding office for part of a year shall be entitled to a proportionate part of any such remuneration in respect of such year.

36. Governors shall be entitled to repayment of all such reasonable expenses as they may incur in attending and returning from meetings of the Governors or of any committee of the Governors or general meetings or otherwise in or about the business of the Association.

CHIEF EXECUTIVE

37. (A) The Governors may from time to time appoint one or more of their body to the office of Chief Executive (with such designation as the Governors may from time to time decide) on such terms and for such period as they may determine and, notwithstanding the terms of any contract entered into in any particular case, may at any time revoke any such appointment. A Governor so appointed shall not whilst holding that office be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Governors.
- (B) The appointment of any Governor to the office of Chief Executive shall automatically determine if he ceases to be a Governor but without prejudice to any claim for damages for breach of any contract of service between him and the Association.
- (C) The Governors may entrust to and confer upon the Chief Executive any of the powers (other than the power to borrow money) exercisable by them as Governors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

ROTATION OF GOVERNORS

38. At each annual general meeting one-third of the Governors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office.

39. The Governors to retire by rotation shall include (so far as necessary to obtain the number required) any Governor who wishes to retire and not to offer himself for re-election. Any further Governors so to retire shall be those of the other Governors who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Governor shall be eligible for re-election.

40. The Association at the meeting at which a Governor retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Governor shall, if offering himself for re-election, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Governors shall have been put to the meeting and lost.

41. No person other than a Governor retiring at the meeting shall, unless recommended by the Governors, be eligible for election to the office of Governor at any general meeting unless, not less than three nor more than twenty one days before the date appointed for the meeting, there shall have been left at the registered office of the Association notice in writing, signed by a Member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

42. The Board shall have power at any time, and from time to time, to appoint any person to be a Governor, either to fill a casual vacancy or as an addition to the existing Board. Any Governor so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the Governors who are to retire by rotation at such meeting.

43. The Association may by Ordinary Resolution of which special notice has been given in accordance with Section 379 of the Act, remove any Governor before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Association and such Governor. Such removal shall be without prejudice to any claim such Governor may have for damages for breach of any contract of service between him and the Association.

44. The Association may by Ordinary Resolution appoint another person in place of a Governor removed from office under the immediately preceding Article. Without prejudice to the powers of the Board under Article 42 the Company in general meeting may appoint any person to be a Governor either to fill a casual vacancy or as an additional Governor. The person appointed to fill such a vacancy shall be subject to retirement at the same time as if he had become a Governor on the day on which the Governor in whose place he is appointed was last elected a Governor.

POWERS AND DUTIES OF THE BOARD

45. The business of the Association shall be managed by the Governors, who may pay all expenses incurred in promoting and registering the Association and may exercise all such powers of the Association as are not, by the Act or by these Articles, required to be exercised by the Association in general meeting, subject nevertheless to the provisions of the Act or these Articles, and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Association in general meeting; but no regulation made by the Association in general meeting shall invalidate any prior act of the Governors which would have been valid if that regulation had not been made.

46. The Board may make and vary from time to time such rules, regulations and bye-laws for the conduct of the affairs of the Association as they shall think proper, but so that no rule, regulation or bye-law shall have any validity, effect or operation if it amounts to or involves such an addition to or alteration of these Articles as could only properly be made by special resolution.

47. The Board may formulate and from time to time vary schemes to implement the purposes of the Association, including particulars of subscriptions and benefits, services in respect of which benefit shall be paid and a classification of surgical operations.

48. The Governors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Governors, to be the attorney or attorneys of the Association for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Governors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Governors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

49. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Association, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Governors shall from time to time by resolution determine.

50. The Governors shall cause minutes to be made in books provided for the purpose:-

- (a) of all appointments of officers made by the Governors;
- (b) of the names of the Governors present at each meeting of the Governors and of any committee of the Governors;
- (c) of all resolutions and proceedings at all meetings of the Association, and of the Governors, and of committees of Governors.

51. (1) A Governor who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Association, shall declare the nature of his interest at a meeting of the Governors in accordance with Section 317 of the Act.

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

- (a) any arrangement for giving any Governor any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Association; or
- (b) to any arrangement for the giving by the Association of any security to a third party in respect of a debt or obligation of the Association for which the Governor himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
- (c) any contract or arrangement with any other company or association in which he is interested only as an officer of the company or as holder of shares or other securities;

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

- (3) A Governor may hold any other office or place of profit under the Association (other than the office of Auditor) in conjunction with his office of Governor for such period and on such terms (as to remuneration and otherwise) as the Governors may determine and no Governor or intending Governor shall be disqualified by his office from contracting with the Association either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Association in which any Governor is in any way interested, be liable to be avoided, nor shall any Governor so contracting or being so interested be liable to account to the Association for any profit realised by any such contract or arrangement by reason of such Governor holding that office or of the fiduciary relation thereby established provided that such Governor shall have declared his interest to the Association prior to its entering into such contract or arrangement.
- (4) A Governor notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Governor is appointed to hold any such office or place of profit under the Association or whereat the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.
- (5) Any Governor may act by himself or his firm in a professional capacity for the Association and he or his firm shall be entitled to remuneration for professional services as if he were not a Governor; provided that such Governor shall have declared his interest as prescribed in Clause (3) of this Article and provided that nothing herein contained shall authorise a Governor or his firm to act as Auditor to the Association.

52. The Governors on behalf of the Association may pay a gratuity or pension or allowance on retirement to any Governor (whether or not he has held any other salaried office or place of profit with the Association) or to his widow or dependants and may make contributions to any fund and pay any premiums for the purchase or provision of any such gratuity, pension or allowance.

53. The Board shall engage such officers and servants as they may consider necessary, and shall fix and regulate their terms and conditions of service. The provisions of Sections 283 and 284 of the Act with respect to the Secretary shall be duly observed.

HONORARY OFFICERS

54. The Board may from time to time elect an Honorary President or Presidents, and such other Honorary Officers as may be thought fit and may determine for what period such Honorary Officers shall hold office.

SUBSIDIARY COMPANIES

55. The Governors may arrange that any branch of the business carried on by the Association or any other business in which the Association may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Association make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as Directors, Managing Directors or Managers of any such company, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed, but in determining from time to time the total remuneration of Governors pursuant to Article 35 the Association shall in respect of any period have regard to the aggregate remuneration for that period payable to Governors holding office in such subsidiary companies by virtue of appointments made under this Article and such aggregate remuneration shall accordingly be deemed to form part of and be included in the total remuneration determined as aforesaid for the purpose of Article 35.

PROCEEDINGS OF THE BOARD

56. The Board shall meet together not less than twice a year for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote.

57. The quorum necessary for the transaction of business at a meeting of the Board shall be such number, not being less than two, as shall from time to time be determined by the Board and in default of such determination shall be four.

58. (1) The Board may appoint one of their number to be the Chairman and one of their number to be the Deputy Chairman of the Board and may at any time remove either of them from such office.
- (2) Any retiring Chairman or Deputy Chairman shall be eligible for re-election or re-appointment (as the case may be).
- (3) The Chairman shall preside at all meetings of the Board at which he is present. If the Chairman be not present within five minutes after the time appointed for the meeting of the Board, the Deputy Chairman, if present, shall take the Chair; but if the Deputy Chairman be not present, the Governors then present shall choose one of themselves to take the Chair at that meeting of the Board.
59. A Governor may, and the Secretary on the requisition of a Governor shall, at any time summon a meeting of the Board. It shall not be necessary to give notice of a meeting of the Board to any Governor for the time being absent from the United Kingdom.
60. A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under these Articles vested for the time being in the Board.
61. All acts bona fide done by any meeting of the Board or of a committee of the Board or by any person acting as a Governor shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any Governor or Governors or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Governor.
62. The Governors for the time being may act notwithstanding any vacancy in their body provided that if their number is reduced below ten, they may act for the purpose of filling vacancies in their body or of convening a general meeting but for no other purpose.
63. (1) A resolution in writing signed by all the Governors for the time being in the United Kingdom shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and constituted.

- (2) Without prejudice to the first sentence of Article 56, a meeting of the Board or of a Committee of the Board may consist of a conference between Governors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously. A Governor taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the Chairman of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.

COMMITTEES, DIVISIONAL BOARDS AND DIVISIONAL DIRECTORS

64. (1) (a) The Governors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in exercise of the powers so delegated, conform to any regulation that may be imposed on it by the Governors.
- (b) A Committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.
- (c) A Committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of equality of votes the Chairman shall have a second or casting vote.

- (2) (a) The Board may establish Divisional Boards for managing any of the affairs or businesses of the Association or of any Branch or Division of the Association. The Board may appoint, as members of any such Divisional Board, any member or members of their body or any other person or persons (such members or persons being in these Articles referred to as "Divisional Directors") and may delegate to any such Divisional Board any of the powers, authorities and discretions vested in the Governors, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Governors may think fit.
- (b) A Divisional Director in his capacity as such shall hold office as a Divisional Director for such period and perform such duties and be entitled to such remuneration and to exercise such rights and powers only as may be determined and conferred upon him at the time of his appointment or thereafter and either absolutely in fixed terms or by reference to the discretion from time to time of the Governors.
- (c) A Divisional Director who is not also a Governor of the Association shall not be nor shall be deemed to be a Director within the meaning or for the purposes of the Act; and such a Divisional Director shall not be entitled to attend (unless requested) or to vote at any meeting of the Board nor will he be reckoned in the quorum of any meeting of the Board.
- (d) In this Article 64(2), for avoidance of doubt the term "the Board" shall have the same meaning as in Article 1.

DISQUALIFICATION OF GOVERNORS

65. The office of Governor shall be vacated if he:-

- (A) becomes bankrupt or enters into a composition with his creditors;

- (B) is directly or indirectly interested in any contract with the Association and fails to declare the nature of his interest in manner required by Section 317 of the Act;
- (C) ceases to be a Governor by virtue of Sections 293 or 303 of the Act;
- (D) becomes prohibited from being a Governor by reason of any order under Sections 296 to 300 of the Act;
- (E) becomes of unsound mind or permanently incapable of acting;
- (F) ceases for any cause to be a Member of the Association;
- (G) being a qualified medical practitioner, is struck off the Medical Register;
- (H) resigns his office by notice in writing to the Association;
- (I) having been absent from four consecutive meetings of the Board vacates his office by reason of a resolution of the Board declaring such office to be vacant;
- (J) is requested to resign in writing by not less than three-quarters of the other Governors. In calculating the number of Governors who are required to make such a request to the Governor, there shall be excluded any person appointed as a Governor pursuant to Article 42.

SEAL

66 The Board shall provide for the safe custody of the seal, which shall only be used by the authority of a resolution of the Board or of a Committee of Governors authorised by the Board in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Governor and shall be countersigned by the Secretary or by a second Governor or by some other person appointed by the Governors for the purpose.

ACCOUNTS

67. The Governors shall cause accounting records to be kept in accordance with Section 221 of the Act.

68. The accounting records shall be kept at the registered office of the Association or, subject to Section 222(1) and (2) of the Act at such other place or places as the Governors think fit and shall always be open to the inspection of the Governors.

69. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Association or any of them shall be open to the inspection of Members not being Governors, and no Member (not being a Governor) shall have any right of inspecting any account or book or document of the Association except as conferred by statute or authorised by the Board or by the Association in general meeting.

70. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Association in general meeting, together with a copy of the Auditor's Report and the Governors' Report, shall not less than twenty one days before the date of the meeting be sent to every Member of, and every holder of debentures of the Association. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Association is not aware or to more than one of the joint holders of any debentures.

AUDITORS

72. Auditors shall be appointed and their duties regulated in accordance with Sections 236, 237, 262 and 384 to 392 of the Act.

NOTICES

73. A notice may be given by the Association to any Member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Association for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of twenty four hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered by first class post.

74. Notice of every general meeting shall be given in any manner hereinbefore authorised to:-

- (a) every Member except those Members who (having no registered address within the United Kingdom) have not supplied to the Association an address within the United Kingdom for the giving of notices to them; and
- (b) the Auditor for the time being of the Association.

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

WINDING UP

75. The provisions of Clause 7 of the Memorandum of Association relating to the winding up and dissolution of the Association shall apply and have effect as if that Clause were repeated in these Articles.

INDEMNITY

76. (1) Every Director, Agent, Auditor, Secretary and other Officer for the time being of the Association shall be indemnified out of the assets of the Association against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the court.
- (2) Subject to the provisions of the Act, the Governors on behalf of the Association may purchase and maintain for any such Auditor or Officer of the Association insurance against any liability which by virtue of any rules of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.