

Company Number 5770108

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
WRITTEN RESOLUTIONS
OF
THE PRACTICE U SURGERIES LIMITED

Circulated on 25 NOVEMBER 2011 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as a special resolution

WRITTEN RESOLUTION

1 SPECIAL RESOLUTION

- 1.1 That the Articles of Association contained in the document attached to these resolutions and for the purposes of identification marked 'A' be and the same are approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company


AGREEMENT

Please read the attached notes before signifying your agreement to the Resolution

The undersigned, persons entitled to vote on the Resolution on 25 NOVEMBER 2011, hereby irrevocably agree to the Resolution


AJIT KADIRGAMAR

25/11/11
DATE


JEREMY ROSE

25/11/11
DATE



NOTES

- 1 If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods
 - **By Hand** delivering the signed copy to Shelley Humphrey at Anglo House, Bell Lane Office Village, Bell Lane, Little Chalfont, Amersham, Bucks HP6 6FA
 - **Post** returning the signed copy by post to Shelley Humphrey at Anglo House, Bell Lane Office Village, Bell Lane, Little Chalfont, Amersham, Bucks HP6 6FA
 - **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to shelley.humphrey@thepracticeplc.com Please enter "Written Resolution dated 2011" in the e-mail subject box
- 2 If you do not agree to the Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply
- 3 Once you have indicated your agreement to the Resolution, you may not revoke your agreement
- 4 Unless, by 28 days after the Circulation Date, sufficient agreement has been received for the Resolution to pass, they will lapse If you agree to the Resolution, please ensure that your agreement reaches us before or during this date
- 5 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 6 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

Company number: 5770108

The Companies Act 2006

Company limited by shares

Articles of association

of

The Practice U Surgeries Limited

(Adopted by Special Resolution passed on 25 NOVEMBER 2011)

FRIDAY

A39

09/12/2011
COMPANIES HOUSE

276



New Kings Court
Tollgate
Chandler's Ford
Eastleigh
SO53 3LG

Reference mbh 560315-11

CONTENTS

1	Introduction	1
2	Definitions	1
3	Share capital	4
4	Qualification Requirements	4
5	Restrictions on dividends	4
6	Issue of new shares	4
7	Variation of class rights	5
8	The Company's lien	8
9	Transfer of shares	9
10	Compulsory transfer	9
11	General meetings	10
12	Alternate directors	12
13	Number of directors	12
14	Special directors	12
15	Disqualification of directors	13
16	Removal of directors	13
17	Directors' remuneration	13
18	Proceedings of directors	13
19	Conflicts of Interest	16
20	Decisions of the Board	21
21	Change of company name	21
22	Borrowing powers	21
23	Execution of documents	21
24	Indemnities	21
25	Notices	22

No 5770108

The Companies Act 2006

Company limited by shares

Articles of association

of

The Practice U Surgeries Limited (the "Company")

(Adopted by Special Resolution passed on 25 NOVEMBER 2011)

1 INTRODUCTION

1 1 The Regulations contained or incorporated in Schedule 3 of the Companies (Model Articles) Regulations 2008 SI 2008/3229 (**Model Articles**) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles

1 2 Model Articles 10, 11, 13(3), 14, 16, 21, 23, 28, 39, 41, 43, 45, 80, 82 and 85 shall not apply to the Company

1 3 The Default Articles shall not apply to the Company

2 DEFINITIONS

2 1 In these Articles the following words and expressions shall have the following meanings

Act means the Companies Act 2006 and any statutory modification or re-enactment for the time being in force,

Adoption Date means the date when these Articles were adopted,

Associated Company means

- (a) each of the Company, The Practice Corporate Management Limited (company number 7666277), The Practice Surgeries Limited (company number 6545745), and Chilvers & McCrea Limited (company number 4149500) (together the **GP Companies**),

- (b) any company, whether or not in existence at the date of this Agreement, which for the time being
- (i) in relation to a GP Company is a Group Company, and/or
- (ii) controls, or is controlled by, a GP Company, and/or
- (iii) is under the control of the same person or persons as control the GP Companies,

and for these purposes a person controls a company if the person has power to secure that the affairs of the company are conducted in accordance with the person's wishes, and has that power

- (A) by holding shares in the company or any other company, or
- (B) by possessing voting power in relation to the company or any other company, or
- (C) by virtue of any powers conferred by
 - the articles of association of the company or any other company, or
 - any other document regulating the company or any other company,

Associated Company Material Contract means as defined in the Shareholders' Agreement,

Board means the board of directors of the Company from time to time,

business day means any day other than a Saturday, a Sunday or any other day which is a public holiday in England,

Chairman means the chairman of the Board from time to time,

company means and includes any body corporate,

Compulsory Seller means as defined in Article 10 1,

Default Articles means the regulations contained in Schedule 1 of the Companies (Model Articles) Regulations 2008,

eligible director means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of that particular matter),

Employee means an individual who is employed by, or is a director of, the Company, any Associated Company or any Group Company of the Lender or an individual whose services are otherwise made available to the Company, any Associated Company or any Group company of the Lender (and **employment** shall be construed accordingly to include such an arrangement),

Facility Agreement means as defined in the Shareholders' Agreement,

Finance Documents means as defined in the Facility Agreement,

financial year and **financial period** means an accounting reference period (as defined by the Act) of the Company,

GP Contracts means as defined in the Shareholders' Agreement,

GP Investor Director means a director appointed pursuant to Article 14 2,

Group means in relation to a company, that company, any company of which it is a subsidiary (its holding company) and any other subsidiary of such holding company (such terms as defined in the Companies Act 2006), and each company in a Group is a **member of the Group** or a **Group Company**,

Heartwood means as defined in the Shareholders' Agreement,

Investment Agreement means the investment and shareholders' agreement dated 15 June 2009 made between (1) the Lender, (2) the Directors (as defined therein), (3) the Investor Representative, (4) the Existing Shareholders (as defined therein), (5) the Non-MMC Investors (as defined therein), (6) the MMC Investors (as defined therein), (7) the MMC Shareholders (as defined therein), and (8) Heartwood, and any restatement, variation or supplemental agreement thereto from time to time,

Investor Representative means as defined in the Shareholders' Agreement,

Leaver means an Employee who at anytime ceases to be an Employee for any reason whatsoever including, but not limited to death, ill health or permanent disability or any other reason,

Lender means as defined in the Facility Agreement,

Lender Director means a director appointed pursuant to Article 14 1,

Material Contract means as defined in the Shareholders' Agreement,

Member means a holder of Shares,

MMC Investors means as defined in the Shareholders' Agreement,

Ordinary Shares means ordinary shares of £1 each in the capital of the Company,

Ordinary Shareholders means the holders for the time being of the issued Ordinary Shares,

Qualification Requirements means as defined in the Shareholders' Agreement,

Sale means as defined in the Shareholders' Agreement,

Shareholders' Agreement means the shareholders' agreement dated on or about the Adoption Date entered into between (1) Dr A Kadirgamar, (2) Dr J Rose, (3) the Company, (4) The Practice plc, (5) Heartwood Nominees Limited, and (6) MMC Ventures Limited,

Shares means shares of any class in the Company, and

Transfer Notice means as defined in Article 10 1

2 2 In these Articles any request, requirement, consent, agreement or other action which a GP Investor Director is entitled to make or take under these Articles but no GP Investor Director is in office at the relevant time shall be validly made or taken if made or taken by the Investor Representative

2 3 If at any time there are no MMC Investors, all rights, privileges and powers conferred on or granted to the MMC Investors or the Investor Representative under this Agreement shall without more be rights, privileges and powers conferred on or granted to the Lender and this Agreement shall in such event be construed accordingly

3 REDEEMABLE SHARES

3 1 Subject to the prior written consent of the Investor Representative, any shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed

4 QUALIFICATION REQUIREMENTS

Unless the Investor Representative shall otherwise agree in writing, for so long as the Qualification Requirements are in force

4 1 1 no Share or any interest in a Share may be issued or transferred to or held on trust for any person other than the Investor Representative (or a third party nominated by the Investor Representative) or a person who satisfies the Qualification Requirements, and

4 1 2 every Member (other than the Investor Representative or a third party nominated by the Investor Representative) must satisfy the Qualification Requirements at all times while he remains a Member,

and all the provisions of these Articles shall be subject to this Article 4, whether or not expressly stated

5 RESTRICTIONS ON DIVIDENDS

No dividend whatsoever shall be declared or paid, and no other distribution of the profits or income of the Company whatsoever shall be made at any time except with the prior written consent of the Investor Representative Model Articles 70 to 76 shall be subject to this Article Model Articles 70(5) to 70(7) shall not apply to the Company

6 ISSUE OF NEW SHARES

6 1 The Board may exercise the powers of the Company to allot Shares and to grant rights to subscribe for or to convert any security into Shares only with the prior written consent of the Investor Representative and, subject thereto, the Board may allot Shares and grant rights to subscribe for or to convert any security into Shares or otherwise dispose of Shares to such persons at such times and generally on such terms and conditions as they think proper

- 6 2 In accordance with section 570 of the Act, section 561(1) of the Act shall be excluded from applying to the allotment of equity securities (as defined in section 560 of the Act)

7 VARIATION OF CLASS RIGHTS

- 7 1 No variation or abrogation of the special rights attaching to any Shares shall be effective except with the prior written consent of the Investor Representative

- 7 2 Subject to Article 7 1, the special rights attaching to the Ordinary Shares as a class may be varied or abrogated by an ordinary resolution of the Company in general meeting

- 7 3 Each of the following shall be deemed to constitute a variation of the special rights attached to the Ordinary Shares

7 3 1 any alteration of the Company's articles of association,

7 3 2 any increase or other alteration in the Company's authorised or issued share capital or any of the rights attaching to thereto,

7 3 3 any issue or redemption of any Shares or entering into any contract or other obligation to do so,

7 3 4 waive or release, wholly or in part, any lien it may have over any share in the Company or any Associated Company,

7 3 5 any resolution to put the Company into liquidation or administration or entering into any compromise or arrangement with creditors (provided that the Investor Representative may not withhold consent to such a variation if the directors have received advice from a suitably qualified and experienced insolvency practitioner that the Company is insolvent and the Company should take any such action),

7 3 6 the purchase or entering into a contract to purchase any of its own shares or any cancellation, reduction or repayment any of its share capital or reserves,

7 3 7 the grant of any option to subscribe for shares or the issue of any securities convertible into shares, entering into any agreement for the same or establishing any share option scheme or employee share scheme,

7 3 8 creating, or causing or permitting to be created or to exist, any Encumbrance whatsoever over the whole or any part of its undertaking, property or assets,

7 3 9 the sale, transfer, lease, licence or any other disposal of the whole or a substantial part of the Company's business, undertaking or assets, whether by a single transaction or a series of transactions, including trade marks or domain names and any intellectual property right (or interest in any intellectual property right) which belongs to it other than as a necessary pre-condition to entering into agreements with the NHS or other customers,

7 3 10 the acquisition of the whole or any part of the assets or undertaking of any other company or business,

- 7 3 11 the acquisition or disposal of any freehold or leasehold property,
- 7 3 12 any subscription for or other acquisition of (or the sale, transfer or other disposition of) any interest in the share capital of any other body corporate,
- 7 3 13 making or permitting any substantial alteration (including cessation) to the general nature of the Business carried on or proposed to be carried on by the Company as at the Adoption Date,
- 7 3 14 extending, developing or evolving the business of the Company other than through the Company or an Associated Company,
- 7 3 15 entering into any joint venture or partnership agreement or arrangement with any other person,
- 7 3 16 entering into any transaction of any nature whatsoever otherwise than by way of bargain at arm's length and at the best price or on the best terms reasonably obtainable,
- 7 3 17 entering into any transaction, arrangement or agreement which, had it been a listed company, would have amounted to a Class 1 transaction or a transaction with a related party (as defined from time to time by the Listing Rules made by the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000),
- 7 3 18 making any loan or entering into any guarantee or standing surety for the obligations of any third party or entering into any agreement for the same,
- 7 3 19 borrowing any money or incurring any indebtedness other than in relation to trade creditors from any person other than the Lender,
- 7 3 20 giving a guarantee, making any payment or incurring any obligation or acting as surety for any third party or creating any Encumbrance on or over any of the Company's undertaking or assets or its unissued share capital or factoring, assigning, discounting or otherwise disposing of any book debts or other debts,
- 7 3 21 entering into any contract of a long-term, onerous or unusual nature or assuming any material liability otherwise than in the ordinary course of business,
- 7 3 22 initiating any litigation or arbitration other than in the ordinary course of business or for the collection of debts or settling any such litigation or arbitration,
- 7 3 23 cause to be appointed to or removed from its board of directors any person other than the present members of the Board and persons nominated by the Lender and the Investor Representative pursuant to the Facility Agreement or an Associated Company Facility Agreement (as the case may be),
- 7 3 24 making any change in its accounting reference date or to any of the accounting policies in force at the Adoption Date,
- 7 3 25 changing the Company's bankers,

- 7 3 26 using the name of the MMC Investors, or Heartwood, or the Investor Representative in any context whatsoever or holding itself out as being connected or associated with any such person in any manner whatsoever,
- 7 3 27 establishing any pension or life assurance scheme or any profit sharing scheme or similar scheme for the benefit of the Company's employees or any section of its employees or making any material variation to any such scheme provided that this shall not prevent the Company from honouring any existing contractual entitlements of its employees or any section of its employees to participate in or elect to participate in any such scheme,
- 7 3 28 otherwise than in accordance with these Articles, paying, making or declaring any dividend or other distribution in respect of its profits, assets or reserves or entering into any agreement for the same,
- 7 3 29 entering into any contract of employment or consultancy agreement with (or making any change to the terms of employment or engagement or to the emoluments of)
- (a) any Ordinary Shareholder who is an Employee, or
 - (b) any employee or director whose emoluments are (or are proposed to be) in excess of £90,000 per annum (or such other amount as may from time to time be agreed by a Lender Director and a GP Investor Director) other than employment by the Company of medical practitioners in their professional medical capacity where the market rates of pay for practitioners of equivalent seniority and expertise exceeds £90,000,
- and for this purpose "**emoluments**" shall mean sums paid by way of fees, salary, bonus, commission, pension contributions, benefits in kind and all items of value received by any person or his spouse or to another on his behalf or for his benefit,
- 7 3 30 entering into any contract of employment or consultancy agreement which cannot be terminated by the Company by three months' notice or less without giving rise to any claim (other than a statutory claim) for damages or compensation against the Company,
- 7 3 31 entering into any agreement or arrangement under which the emoluments (as defined in Article 7 3 29 above) received by any person in his capacity as a director or employee of the Company would exceed an amount which it is reasonable to pay to any person performing the duties and having the responsibilities of any such person,
- 7 3 32 adopting any business plan or any budget in respect of any financial year, making any material amendment of any duly adopted business plan or budget, or taking any action materially inconsistent with any such duly adopted business plan or budget,

7 3 33 in any financial year

- (a) other than as provided for in the current business plan or budget, incurring or entering into any commitment to incur any capital expenditure not provided for in the annual budget approved by the Lender and the Investor Representative if the estimated amount of such expenditure is for an individual item in excess of £25,000 or if the estimated amount or aggregate value of capital commitments already incurred or contracted for in that financial year exceeds the aggregate budgeted annual amount for that year by more than 10 per cent in aggregate, or
- (b) selling, transferring, leasing, licensing or in any way disposing of any fixed asset not provided for in the annual budget approved by the Lender and the Investor Representative, or
- (c) making any payment directly or indirectly to any Associated Company (including by way of a loan),

7 3 34 undertaking any reconstruction or amalgamation or entering into any scheme of arrangement,

7 3 35 constituting or appointing any committee of the board of directors,

7 3 36 authorising any conflicting matter as defined in Article 19 2 (not being a conflicting matter affecting only a GP Investor Director or a Lender Director),

7 3 37 commencing steps or appoint advisers to seek a Sale,

7 3 38 changing the name of the Company,

7 3 39 doing, permitting or suffering to be done any act or thing which may adversely affect the continuation of the GP Contracts and/or ability of the Company to enter into any GP Contracts, or

7 3 40 holding any meeting of members or purporting to transact any business at such meeting, or circulating any written resolution of the members, unless the Lender and the Investor Representative have been given not less than 14 days notice of such meeting or circulation and authorised representatives are present for the Lender and the Investor Representative

8 THE COMPANY'S LIEN

8 1 The lien conferred by Model Article 52 shall attach also to fully paid-up Shares and the Company shall also have a first and paramount lien on all Shares, whether fully paid-up or not, standing registered in the name of any person indebted or under liability to the Company, whether as the sole registered holder thereof or as a joint holder thereof, for all moneys presently payable by him or his estate to the Company

9 TRANSFER OF SHARES

- 9 1 The Board shall be required (subject to Model Article 63(5)) to register promptly any transfer of Shares made in accordance with the provisions of this Article 9 (to the extent applicable), but shall not register any transfer of Shares not so made
- 9 2 In addition to the circumstances set out in Model Article 63(5) in which the Board shall, unless the Investor Representative otherwise directs in writing, refuse to register the transfer of a Share, the Board may also refuse to register the transfer of a Share to a bankrupt, a minor or a person of unsound mind or if such registration would permit the registration of a transfer of Shares on which the Company has a lien
- 9 3 For the purposes of these Articles the term “**transfer**” shall, unless the context otherwise requires, include
- 9 3 1 a sale or disposal of any legal or equitable interest in a Share (including any voting right attached to it), whether or not by the Member registered as the holder of that Share and whether or not for any consideration,
- 9 3 2 any renunciation or other direction by a Member entitled to an allotment or transfer of Shares that such Shares be allotted, issued or transferred to another person
- 9 4 No Member shall, nor shall agree to, sell, transfer, assign, pledge, charge or otherwise dispose of any Share to any person unless the relevant Member (a **Selling Shareholder**) has observed the procedures set out in Articles 9 5 to 9 8
- 9 5 The Selling Shareholder shall give each of the other Members, the Lender and the Investor Representative not less than 20 Business Days' notice in advance of the proposed sale (a **Sale Notice**) The Sale Notice shall specify
- 9 5 1 the identity of the proposed purchaser (the **Buyer**),
- 9 5 2 the manner in which the consideration is to be paid,
- 9 5 3 the number of Shares that the Selling Shareholder proposes to sell, and
- 9 5 4 the proposed date of the proposed sale
- 9 6 Upon receipt of the Sale Notice, Heartwood shall be entitled either itself (or by nominating a third party, including the Lender) to purchase the Shares set out in the Sale Notice and shall notify the Selling Shareholder by delivery of a written counter-notice to the Selling Shareholder within 10 Business Days of receipt of the Sale Notice Completion of the sale of such Shares shall take place within five Business Days of the counter-notice If Heartwood or any relevant nominated third party does not complete such purchase or notifies the Selling Shareholder that it does not wish (or wish to nominate a third party) to purchase the Shares, the Selling Shareholder shall be entitled to sell the Shares specified in the Sale Notice to the Buyer at the price set out in Article 9 8 no later than five Business Days after the proposed date of the proposed sale specified in the Sale Notice (as to which time shall be of the essence)

- 9 7 Any transferee of a Share in the Company to any person must, unless the Investor Representative agrees otherwise, satisfy the Qualification Requirements at the time of the transfer of such Share to them
- 9 8 Any transfer of a share by a Shareholder shall be at par value
- 10 COMPULSORY TRANSFER**
- 10 1 If any Member becomes a Leaver or there is a breach or attempted breach of any of Articles 9 2, 9 5 to 9 8, the Leaver and/or Member shall be deemed to have served a Sale Notice (the **Compulsory Seller**) to transfer all of the Shares registered in his name (irrespective of whether the Shares were so registered at the date of cessation, or were registered subsequently) (the **Transfer Notice**)
- 10 2 Under the Transfer Notice, the Compulsory Seller shall transfer all of his Shares to Heartwood or another person nominated by Heartwood with the prior written consent of the Investor Representative at the par value of the Shares
- 10 3 Completion of the sale and purchase of shares under this Article 10 shall take place 10 Business Days after the day of delivery of the Transfer Notice, any Shares registered in the name of the Compulsory Seller shall, until such Shares have been transferred, not confer the right to receive notice of, attend or vote at any general meeting of the Company or any written resolution of the Company or any written resolution or written consent of that class of Shares and such Shares shall not be counted in determining the total number of votes which may be cast at any such meeting or on any such written resolution or written consent of any members or class of Members
- 10 4 If any Compulsory Seller shall fail to transfer all of his Shares as required pursuant to this Article 10, the Compulsory Seller authorises the Investor Representative or any person nominated by the Investor Representative to execute such document(s) on behalf of and as agent for the Compulsory Seller in order to give full effect to this Article 10
- 10 5 As security for the due and punctual performance by the each of the Shareholders arising under this Article 10, each of the Shareholders irrevocably appoints the Investor Representative and/or any of the GP Investor Directors as its agent in its name and on its behalf to sign, execute, deliver and do any and all documents, deeds, and things (including proxies and written resolutions of the members of the Company) which may be necessary or desirable
- 10 5 1 for the transfer to Heartwood (or any nominated third party) of the shares to which Heartwood is entitled pursuant to this Article 10,
- 10 5 2 to vest the full legal and beneficial title to such shares in Heartwood (or any nominated third party), free from all Encumbrances, and
- 10 5 3 to enable the Heartwood (or any nominated third party) to exercise all voting and other rights attaching to all such shares

11 GENERAL MEETINGS

11 1 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board may

11 1 1 in the case of an instrument in writing, be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote,

11 1 2 in the case of an instrument in writing, be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the Chairman or to the secretary or to any director,

11 1 3 in the case of a poll, be delivered as an instrument in writing at the meeting at which the poll was demanded to the Chairman or to the secretary or to any director, or at the time and place at which the poll is held to the Chairman or to the secretary or to any director or scrutineer, or

11 1 4 in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications

(a) in the notice convening the meeting, or

(b) in any instrument of proxy sent out by the Company in relation to the meeting, or

(c) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid

11 2 In the event that more than one appointment of a proxy relating to the same share is deposited, delivered or received for the purposes of the same meeting, the appointment last delivered or received (whether in writing or contained in an electronic communication) shall prevail in conferring authority on the person named therein to attend the meeting and vote. An appointment of proxy contained in an electronic communication found by the Company to contain a computer virus shall not be accepted by the Company and shall be invalid

11 3 In their application to the Company, Model Article 38 shall be modified by the addition of the following sentence

“The appointment of a proxy may be contained in an electronic communication sent to such address (including any number) as may be notified by or on behalf of the Company for that purpose and may be in such form as the Board may approve including requirements as to

the use of such discrete identifier or provision of such other information by a member so as to verify the identity of such member and as to the authenticity of any electronic signature thereon "

11 4 No business shall be transacted at a general meeting unless a quorum is present Subject to Article 11 5, two qualifying persons (which shall have the meaning given to it in section 318 of the Act) shall be a quorum

11 5 If a quorum is not present within half an hour of the time appointed for a general meeting the meeting, if convened on the requisition of members, shall be dissolved In any other case such meeting shall stand adjourned to the same place 5 business days later or to such day and at such time and place as the Board may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the member(s) present shall be a quorum

11 6 A poll may be demanded at a general meeting either by the Chairman of the Meeting or by any other holder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and Model Article 36(2) shall be modified accordingly

12 ALTERNATE DIRECTORS

The appointment of an alternate director by a Lender Director or by a GP Investor Director shall not require approval by a resolution of the Board, and in its application to the Company Model Article 25 shall be modified accordingly

13 NUMBER OF DIRECTORS

Unless and until the Company in general meeting shall otherwise determine, with the prior written consent of an Investor Representative, the number of directors shall be not less than two

14 SPECIAL DIRECTORS

14 1 The Lender shall have the right (with the prior written consent of the Investor Representative) at any time and from time to time to appoint (and shall, if directed by the Investor Representative, appoint) up to two persons approved by the Investor Representative, as directors of the Company Any such appointment shall be made by notice in writing to the Company signed by or on behalf of the Lender and may (and, if the Investor Representative so directs in writing, shall) in like manner at any time and from time to time remove from office any director appointed pursuant to this Article and appoint any person in place of any director so removed or dying or otherwise vacating office as set out above

14 2 The Investor Representative shall have the right at any time and from time to time to appoint up to two persons as directors of the Company Any such appointment shall be made by notice in writing to the Company signed by or on behalf of the Investor Representative and may in like manner at any time and from time to time remove from office any director appointed pursuant to this Article and appoint any person in place of any director so removed or dying or otherwise vacating office as set out above

- 14 3 Upon any resolution pursuant to Section 168 of the Act for the removal of any Lender Director or GP Investor Director for the time being holding office pursuant to this Article, the Shares held by any person who votes or purports to vote in favour of the resolution shall confer no votes on such resolution (whether at the meeting at which it is proposed or at any adjournment thereof)

15 DISQUALIFICATION OF DIRECTORS

- 15 1 In its application to the Company, Model Article 22 is modified by the addition of the following paragraph

"(f) he is removed from office under the provisions of Article 14 or Article 16 "

16 REMOVAL OF DIRECTORS

In addition and without prejudice to the provisions of Section 168 of the Act and Article 14, the Company may with the prior written consent of the Investor Representative, by special resolution remove any director (other than a Lender Director or a GP Investor Director) before the expiration of his period of office and may with the prior written consent of the Investor Representative, by ordinary resolution appoint another director in his place

17 DIRECTORS' REMUNERATION

Directors' fees may be paid to, or in respect of, the services of any director with the written approval of the Investor Representative

18 PROCEEDINGS OF DIRECTORS

18.1 Quorum for directors' meetings

- 18 1 1 The quorum for the transaction of business of the Board shall, subject as set out below in this Article 18 1, be two directors, unless there is only one director in office in which case the quorum shall be one, one of whom shall be a Lender Director and one of whom shall be a GP Investor Director unless

- (a) a Lender Director or, as the case may be, a GP Investor Director has previously agreed otherwise in writing, or
- (b) there is no Lender Director or, as the case may be, no GP Investor Director in office at the time

- 18 1 2 For the purposes of any meeting (or part of meeting) held in accordance with Article 19 to authorise a director's conflict pursuant to s175(4)(b) of the Act, if there is only one eligible director in office other than the conflicted director(s) the quorum for that meeting (or part of meeting) is one eligible director

18 2 Calling a directors' meeting

Notices of meetings of the Board shall be given in writing and in its application to the Company Model Article 79 shall be modified accordingly

18.3 Participation in directors' meetings

Any director who participates in the proceedings of a meeting by means of an electronic communication by which all the other directors present at such meeting (whether in person or by alternate or by means of electronic communication) may hear at all times such director and such director may hear at all times all other directors present at such meeting (whether in person or by alternate or by means of electronic communication) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum

18.4 Voting at directors' meetings

18 4 1 Model Article 13 is modified by the insertion of the words "eligible" between the words "the" and "participating" in 13(1) and between the words "each" and "director" in 13(2)

18 4 2 In the event that any of the following occurs

- (a) a material breach by the Company or any of the Ordinary Shareholders of any of the provisions of these Articles, or
- (b) any breach, non-observance or non-performance by either of the Ordinary Shareholders or the Company of the Shareholders' Agreement which, if in the opinion of the Lender or the Investor Representative is capable of remedy, is not remedied to the satisfaction of the Lender and the Investor Representative within such time as they may specify,
- (c) any breach, non-observance or non-performance by the Company of any of the other Material Contracts which (to the extent that the Material Contract so provides) if capable of remedy is not remedied strictly in accordance with the terms of the relevant Material Contract,
- (d) any breach, non-observance or non-performance by any Associated Company of any of the Associated Company Material Contracts which (to the extent that the Associated Company Material Contract so provides) if capable of remedy is not remedied strictly in accordance with the terms of the relevant Associated Company Material Contract,
- (e) any termination or purported termination of any of the Material Contracts (otherwise than by effluxion of time or by the Lender or any Lender Group Company),
- (f) any termination or purported termination of any of the Associated Company Material Contracts (otherwise than by effluxion of time or by the Lender or any Lender Group Company),
- (g) any pre-payment, in whole or in part, of money advanced by the Lender to the Company pursuant to the Facility Agreement without the prior written consent of the Investor Representative,

- (h) any pre-payment, in whole or in part, of money advanced by the Lender to any Associated Company pursuant to any Associated Company Facility Agreement to which such Associated Company is party without the prior written consent of the Investor Representative,
- (i) any cancellation or purported cancellation of the whole or any part of the unutilised facility available to the Company pursuant to the Facility Agreement without the prior written consent of the Investor Representative,
- (j) any cancellation or purported cancellation of the whole or any part of the unutilised facility available to any Associated Company pursuant to any Associated Company Facility Agreement to which such Associated Company is party without the prior written consent of the Investor Representative,
- (k) a change in the law and/or interpretation of the law that, without restricting the ability of the Company to carry on the Business
 - (i) permits the sale of goodwill by providers of primary medical service providers, and/or
 - (ii) permits the payment of superannuation contributions to the NHS pension scheme, and/or NHS pension scheme membership, for staff by providers of healthcare services who at the date of this Agreement do not qualify to do so, and/or
 - (iii) would permit shares in the Company to be legally and/or beneficially owned by the Investor and/or Lender (or any member of its Group),

and so that each of the foregoing paragraphs shall be a separate event,

then the Investor Representative may serve written notice of the same upon the Company whereupon the GP Investor Directors (if appointed, and if not the Lender Directors who shall vote as directed by the Investor Representative in such circumstances) shall together have that number of votes in relation to the resolutions of the Board (when the GP Investor Directors or, as the case may be the Lender Directors, vote the same way on a resolution) which exceed by one the number of votes in aggregate of all the other directors (including any casting vote of the Chairman (if any), and such enhanced rights shall continue until the event in question is remedied to the reasonable satisfaction of the Investor Representative, or unless otherwise determined by notice given by the Investor Representative (whichever is the earlier)

18 5 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is in any way directly or indirectly interested, that director shall be counted as participating in the decision making process for quorum and voting purposes provided that the relevant interest either

18 5 1 has been duly declared in accordance with section 177 or section 182 of the Act, as the case may require, or

18 5 2 is not required by the terms of either of those sections to be declared

19 CONFLICTS OF INTEREST

19 1 The provisions of this Article 19 1 and Articles 19 2 to 19 9 shall apply in relation to the exercise of the power of the directors to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under section 175(1) of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company

19 2 In this Article, Article 19 1 and Articles 19 3 to 19 9

authorise means to authorise in accordance with section 175(5)(a) of the Act and **authorisation**, **authorised** and cognate expressions shall be construed accordingly,

conflicted director means a director in relation to whom there is a conflicting matter,

conflicting matter means a matter or situation which would or might (if not authorised) constitute or give rise to a breach of the duty of a director under section 175(1) of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company,

Relevant Undertaking shall mean the Company, any Associated Company and any undertaking in which the Company is otherwise interested,

Relevant Investor Undertaking means any company in which an MMC Investor, Heartwood or the Investor Representative is (or proposes to be) a shareholder or is (or proposes to be) a lender including for the avoidance of doubt the Lender and each Lender Group Company,

Relevant Lender Undertaking means the Lender, a subsidiary undertaking of the Lender, any parent undertaking of the Lender or a subsidiary undertaking of any such parent undertaking, any undertaking promoted by the Lender and any undertaking in which the Lender is otherwise interested, and

section 252 of the Act shall determine whether a person is connected with a director, and

a general notice to the Board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified

- 19 3 The provisions of Articles 19 1, 19 2, this Article and Articles 19 4 to 19 9 apply without prejudice (and subject) to the provisions of section 175(6) of the Act Nothing in these Articles shall invalidate an authorisation
- 19 4 For the purposes of sections 175 and 180(4) of the Act, the members of the Company authorise each conflicting matter
- 19 4 1 of a GP Investor Director's which arises or may arise as a result of any of the following matters or situations (in each case, existing before, at or after the date of adoption of these Articles)
- (a) as a party to or in any way directly or indirectly interested in or having any duty in respect of any existing or proposed contract or arrangement or transaction with a Relevant Undertaking or a Relevant Investor Undertaking or any other undertaking in which the Company or a Relevant Investor Undertaking is in any way interested,
 - (b) as a director, partner, member or employee or other office holder of an MMC Investor, Heartwood or the Investor Representative, any manager of any of the foregoing, any Relevant Undertaking or a Relevant Investor Undertaking or otherwise interested (including without limitation by the holding of shares or loan notes or options to acquire shares or loan notes) in any Relevant Undertaking or a Relevant Investor Undertaking,
 - (c) being remunerated in respect of any office (other than in each case the office of auditor) by an MMC Investor, Heartwood or the Investor Representative, any manager of any of the foregoing, any Relevant Undertaking or a Relevant Investor Undertaking,
 - (d) acting in a professional capacity for the Company, any Relevant Undertaking or a Relevant Investor Undertaking (other than in each case as auditor) whether or not he is remunerated for this,
 - (e) in relation to any duty he may owe to, or interest he may have as an adviser, employee, director, consultant, member or partner of an MMC Investor, Heartwood or the Investor Representative, or a fund manager of any of the foregoing or any duty he may owe to, or interest he may have as member or partner of, or investor in any of the foregoing or any of the funds advised or managed by such fund manager from time to time,
 - (f) in respect of any rights or powers he may have pursuant to and/or associated with the terms of the Investment Agreement, the Shareholders' Agreement, the Material Contracts, the Associated Company Material Contracts or these Articles,
 - (g) an interest which cannot reasonably be regarded as likely to constitute a conflicting matter,
 - (h) an interest or transaction or arrangement giving rise to an interest of which the GP Investor Director is not aware, or

(i) any other interest authorised by ordinary resolution of the Members,

19 4 2 of a Lender Director's which arises or may arise as a result of any of the following matters or situations (in each case, existing before, at or after the date of adoption of these Articles)

(a) as a party to or in any way directly or indirectly interested in or having any duty in respect of any existing or proposed contract or arrangement or transaction with a Relevant Undertaking or a Relevant Lender Undertaking,

(b) as a director, partner, member or employee or other office holder of any Relevant Undertaking or a Relevant Lender Undertaking or otherwise interested (including without limitation by the holding of shares or loan notes or options to acquire shares or loan notes) in any Relevant Undertaking or a Relevant Lender Undertaking,

(c) being remunerated in respect of any office (other than in each case the office of auditor) by any Relevant Undertaking or a Relevant Lender Undertaking,

(d) in respect of any rights or powers he may have pursuant to the terms of the Investment Agreement, the Shareholders' Agreement, the Material Contracts, the Associated Company Material Contracts or these Articles,

(e) an interest which cannot reasonably be regarded as likely to constitute a conflicting matter,

(f) an interest or transaction or arrangement giving rise to an interest of which the GP Investor Director is not aware, or

(g) any other interest authorised by ordinary resolution of the Members,

19 5 Subject to Article 19 6 (and without prejudice to any equitable principle or rule of law which may excuse or release a Lender Director or a GP Investor Director from disclosing information in circumstances where disclosure may otherwise be required under this article), if a Lender Director or a GP Investor Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required

19 5 1 to disclose such information to the Company or to the Board or to any director, officer or employee of the Company, or

19 5 2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director

19 6 Where such duty of confidentiality arises out of a conflicting matter Article 19 5 shall apply only if the conflict arises out of a matter which falls within Article 19 4 or has been authorised under Article 19 8

- 19 7 A conflicted director seeking authorisation of any conflicting matter shall disclose to the Board the nature and extent of the conflicting matter as soon as is reasonably practicable. The conflicted director shall provide the Board with such details of the conflicting matter as are necessary for the Board to decide how to address the conflicting matter, together with such additional information as may be requested by the Board. This Article 19 7 shall not apply to any conflicting matter of a Lender Director or a GP Investor Director authorised pursuant to Article 19 4.
- 19 8 Subject to receipt of the prior consent of a Lender Director and a GP Investor Director, the Board are empowered for the purposes of section 175 of the Act to authorise any conflicting matter that may arise and, subject to the consent of a Lender Director and a GP Investor Director, to amend or vary any such authorisation so given. Any director (including the conflicted director) may, with the consent of a Lender Director and a GP Investor Director, propose that a conflicted director's conflicting matter be authorised. Any such proposal and any authorisation given by the directors, shall be effected in the same way as any other matter may be proposed to and resolved on by the Board under the provisions of these Articles, except that
- 19 8 1 the conflicted director and any other interested director shall not count towards the quorum nor vote on any resolution giving that authorisation, and
- 19 8 2 the conflicted director and any other interested director may, if the directors so decide, be excluded from any meeting of the directors while the conflicting matter and the giving of that authorisation are under consideration.
- 19 9 Where the directors authorise a conflicted director's conflicting matter, with the consent of a Lender Director and a GP Investor Director
- 19 9 1 subject to Article 19 5, the directors may (whether at the time of giving the authorisation or subsequently)
- (a) require that the conflicted director is excluded from the receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the directors or otherwise) related to the conflicting matter, and
- (b) impose on the conflicted director such other terms or conditions for the purpose of dealing with any actual or potential conflict of interest which may arise from the conflicting matter as they may determine,
- 19 9 2 the conflicted director shall conduct himself in accordance with any terms or conditions imposed by the directors in giving that authorisation,
- 19 9 3 subject to Article 19 5, the directors may provide that, where the conflicted director obtains (otherwise than through his position as a director) information that is confidential to a third party, the conflicted director will not be obliged to disclose the information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence,

- 19 9 4 the terms of the authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded), and
- 19 9 5 the directors may revoke or vary the authorisation at any time but no such action will affect anything done by the conflicted director prior to that action in accordance with the terms of the authorisation
- 19 10 A conflicted director shall not, by reason of his office or of the resulting fiduciary relationship, be liable to account to the Company for any benefit which he (or a person connected with him) derives from a conflicting matter authorised by the directors and no transaction or arrangement shall be liable to be avoided on the grounds of any such benefit
- 19 11 A director who has directly or indirectly an interest or a duty in a matter which is material and which conflicts or may conflict with the interests of the Company may, notwithstanding his interest or duty, vote on the matter and be included for the purposes of a quorum at any meeting at which the matter is considered provided that
- 19 11 1 he has disclosed the nature and extent of his interest or duty giving rise to his conflict of interest, and
- 19 11 2 where his conflict of interest is constituted by or arises from a conflicting matter of his, that conflicting matter has been authorised and the director has not been required to be excluded from participation in discussions and/or the making of decisions related to the matter
- 19 12 If a question arises at a meeting of the directors about whether a director (other than the chairman of the meeting) has an interest which is likely to give rise to a conflict of interest or if he can vote or be counted in the quorum, and the director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The ruling of the chairman of the meeting about any other director is final and conclusive, unless the nature or extent of the director's interest (so far as it is known to him) has not been fairly disclosed to the directors. If the question arises regarding the chairman of the meeting, the question shall be decided by a resolution of the directors. The chairman of the meeting cannot vote on the question but can be counted in the quorum. The directors' resolution about the chairman of the meeting is conclusive, unless the nature and extent of the chairman's interest (so far as it is known to him) has not been fairly disclosed to the directors
- 19 13 The Company may by ordinary resolution and with the written consent of an Investor ratify any transaction or arrangement which has not been properly authorised by reason of a contravention of these Articles
- 19 14 For the purposes of these Articles
- 19 14 1 an interest or duty is **material** unless it cannot reasonably be regarded as likely to give rise to a conflict of interest, and
- 19 14 2 a **conflict of interest** includes a conflict of interest and duty and a conflict of duties

20 DECISIONS OF THE BOARD

20 1 Any decisions of the Board must either be a majority decision at a meeting or a decision taken in accordance with Article 20 3

20 2 If

20 2 1 the Company has only one director, and

20 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 (for so long as he remains the sole director) take decisions without regard to the provisions of Articles 20 1 and 20 3

20 3 A resolution signed by all the eligible Directors for the time being in the United Kingdom (including the Lender Directors and the GP Investor Directors, whether or not in the United Kingdom) shall be as valid and effective as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors

21 CHANGE OF COMPANY NAME

In accordance with section 77(1)(b) CA 2006, the Company's name may, with the prior written consent of the Investor Representative, be changed by a resolution of the directors

22 BORROWING POWERS

The directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge all or any part of its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as security (principal or collateral) for any debt, liability or obligation of the Company or any third party

23 EXECUTION OF DOCUMENTS

23 1 In its application to the Company Model Article 81 is modified by the addition of the following sentence

(a) "Any instrument expressed to be executed by the Company and signed by two directors, or by one director and the secretary, by the authority of the Board or of a committee authorised by the Board shall (to the extent permitted by the Act) have effect as if executed by the seal "

24 INDEMNITIES

24 1 Subject to section 532 of the Act

24 1 1 every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation to his office, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in

which he is acquitted or in connection with any application under Section 661 or 1157 of the Act in which relief is granted to him by the court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or otherwise in relation to his office, and

- 24 1 2 the Company may purchase and maintain insurance for any such director or other officer against any liability which by virtue of any rule 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

25 NOTICES

- 25 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

25 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),

25 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

25 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

25 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this Article 25, no account shall be taken of any part of a day that is not a working day

- 25 2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act