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## HCRG CARE COMMUNITY SERVICES LTD

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### Articles of Association

Adopted by special resolution passed on 28 February 2012

as amended by special resolution dated 24 November 2022

## Contents

1	Interpretation	3
2	Objects	6
3	Directors' authority	6
4	Assura Director approvals	7
5	Unanimous decisions	9
6	Calling a directors' meeting	9
7	Quorum for directors' meetings	9
8	Casting vote	10
9	Transactions or other arrangements with the Company	10
10	Directors' conflicts of interest	11
11	Records of decisions to be kept	13
12	Number of directors	13
13	Appointment of directors	13
14	Appointment and removal of Assura directors	13
15	Appointment and removal of alternate directors	14
16	Rights and responsibilities of alternate directors	14
17	Termination of alternate directorship	15
18	Transfer of shares	15
19	Obligatory transfer of shares	16
20	Poll votes	19
21	Proxies	19
22	Entrenchment of Provisions	20
23	Means of communication to be used	20
24	Indemnity	21
25	Insurance	22

**The Companies Act 2006**

**Private company limited by shares**

**Articles of association**

**of**

**HCRG CARE COMMUNITY SERVICES LTD**

## **Introduction**

### **1 Interpretation**

**1.1** In these Articles, unless the context otherwise requires

**Act:** means the Companies Act 2006,

**Affiliate:** shall mean (a) any person controlled by any shareholder, (b) any person who controls any shareholder, and (c) any person who is controlled by the same person or group of persons as have control of any shareholder,

**appointor:** has the meaning given in article 15.1,

**Articles:** means the company's articles of association for the time being in force,

**Assura:** Assura Medical Limited, a company registered in England and Wales with company number 5466033 (or any other company or body corporate within the Assura Medical Group for the time being nominated by Assura or substituted for Assura following an assignment of Assura's rights),

**Assura Directors:** the directors appointed by Assura in accordance with article 14 from time to time,

**Assura Medical Group:** any company or body corporate which for the time being is a subsidiary of Assura Medical Limited (company number 5466033), or of the holding company of Assura Medical Limited, or of that company's holding company (and the definitions of "subsidiary" and "holding company" given in section 1159 of the Act shall apply),

**Board:** means the board of directors of the Company,

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

**Companies Acts:** means the Companies Act 2006,

**Company:** means HCRG Care Community Services Ltd a company incorporated in England and Wales with company number 07568015

**Conflict Situation:** shall mean a situation in which a director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company, including in relation to the exploitation of any property, information or opportunity and regardless of whether the Company could take advantage of the property, information or opportunity itself, but excluding a situation which could not reasonably be regarded as likely to give rise to a conflict of interest,

**control and controlled:** shall have the meanings given to them by section 450 of the Corporation Tax Act 2010,

**Defaulting Shareholder:** shall have the meaning given to it in Article 19.1,

**Dental Director:** means directors appointed by shareholders who are not employees of either Assura or another company within the same group of companies as Assura,

**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 the particular matter),

**Management Agreements.** means any management agreement relating to the management of contracts for the provision of dental services to any commissioner, Primary Care Trust, Acute Trust, Foundation Trust, Strategic Health Authority or other similar or replacement body or entity established to provide dental services as part of the National Health Service, held or to be held by the Company with Assura or Assura Medical Group,

**Model Articles:** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles,

**Nominated Purchaser** shall have the meaning giving to it in Article 19.5,

**Ongoing Shareholders:** shall have the meaning giving to it in Article 19.3,

**Pensions Regulations** means the National Health Service Pension Scheme Regulations 1995 (as amended),

**Performers:** appropriate performers of dental services,

**Safe Share:** shall have the meaning given to it in Article 19 3, and

**Transfer Event** has the meaning set out in article 19

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles

1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise

1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of

1 5 1 any subordinate legislation from time to time made under it, and

1 5 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

1 6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

1 7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles

1 8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company

1 9 Article 7 of the Model Articles shall be amended by

1 9 1 the insertion of the words "for the time being" at the end of article 7(2)(a), and

1 9 2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"

- 1 10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"
- 1 11 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 1 12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 13 1," after the word "But"
- 1 13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 1 14 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"

## **Objects**

### **2 Objects**

- 2 1 The objects of the Company are to carry on activities which provide dental services to the community in England and any other incidental activities
- 2 2 The Company is not established or conducted for private gain, and any profits or assets are used principally to reinvest in the main objects of the Company

## **Directors**

### **3 Directors' authority**

- 3 1 In addition to the general responsibility of the directors for the management of the Company's business conferred under Article 3 of the Model Articles, the shareholders delegate authority to the directors for the following
- 3 1 1 to oversee delivery of any Service Plans and the Business Plans agreed pursuant to the Management Agreements (both as defined therein),
- 3 1 2 to oversee the clinical governance of the Company, and to ensure the implementation of both operational & clinical policies,
- 3 1 3 to ensure the Company complies and works within, where appropriate, Care Quality Commission guidelines,

3.1.4 to negotiate and agree amendments to the terms of any or all of the Management Agreements and its schedules, and

3.1.5 to set and manage the terms of appointment of Performers and any quality standards

#### **4 Assura Director approvals**

4.1 At least 20 Business Days prior written notice must be given to the Assura Directors before any board meeting is convened and before any board resolution is circulated which is to consider any of the matters in this Article 4.1. Resolutions of the directors on the following matters shall be passed if a simple majority of the directors vote in favour, PROVIDED THAT the Assura Directors in office at the relevant time must all be in favour of the following types of motion

4.1.1 entry into, or variation, or termination of any contracts or arrangements (whether binding or otherwise and whether or not in written form) between the Company and any commissioner, Primary Care Trust, Acute Trust, Foundation Trust, Strategic Health Authority or other similar or replacement body or entity established to provide dental services as part of the National Health Service,

4.1.2 adoption of a risk management or clinical governance policy for the Company and any variation of such policy,

4.1.3 the borrowing or lending by the Company in respect of sums in aggregate exceeding £50,000 and/or any variation of the terms of any such borrowing, lending, guarantee or undertaking,

4.1.4 the issue of any debenture or loan stock (whether secured or unsecured) or creation of any mortgage, charge, lien, encumbrance or other third party right over any of the Company's assets,

4.1.5 the giving of any guarantee or indemnity to or becoming surety for any third party,

4.1.6 entry by the Company into or termination of any other contracts, sub-contracts, transactions or arrangements (whether binding or otherwise and whether or not in written form) of a value or where payments or receipts exceed £10,000,

4.1.7 entry into, or variation, or termination of any new management agreement or arrangements between

(a) the directors or shareholders of the Company, and

- (b) the Company and third parties in relation to the supply of services either by the Company to that third party or by that third party to the Company,
- 4 1 8 any variation of these Articles or of any Management Agreement,
- 4 1 9 make any material change in the nature of the business of the Company or of the jurisdiction where it is managed and controlled,
- 4 1 10 assignment, sale or disposal in any 12 month period any asset or related group of assets of the Company having a net book value in aggregate of ten thousand pounds (£10,000) or more (other than in accordance with the annual budget);
- 4 1 11 establishment of any retirement benefit scheme in relation to the Company's employees, or making any contribution to any third party scheme for the provision of retirement benefits,
- 4 1 12 granting or entering into any licence, agreement or arrangement concerning any part of the name of the Company or any of its intellectual property rights,
- 4 1 13 establishing any bonus, profit sharing, share option or other incentive scheme for any Director or employee of the Company,
- 4 1 14 enter into any litigation which is material to the Company, save for the collection of debts arising in the ordinary course of business,
- 4 1 15 enter into of any partnership, joint venture or consortium agreement, and
- 4 1 16 make any charitable or political donation
- 4 2 At least 20 Business Days prior written notice must be given to the Assura Directors before any board meeting or shareholder meeting is convened and before any board resolution or shareholders resolution is circulated which is to consider any of the matters in this Article 4 2. Unless all of the Assura Directors in office at the relevant time have first provided their consent in writing, the directors and shareholders shall exercise their powers in relation to the Company to ensure that
- 4 2 1 there is no increase, reduction, sub-division, consolidation, redenomination, cancellation, purchase or redemption of any of the capital of the Company,
- 4 2 2 no shares or other securities in the capital of the Company are allotted or issued,
- 4 2 3 the rights attaching to any class of share in the capital of the Company are not altered, and



4 2 4 no option, warrant or any other right to acquire or subscribe for any shares or other securities in the capital of the Company is created or granted, other than as permitted by these Articles

## **5 Unanimous decisions**

5 1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter

5 2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing

5 3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

## **6 Calling a directors' meeting**

6 1 Subject to the notice requirements in Articles 4 1 and 4 2, any director may call a directors' meeting by giving not less than 5 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice

6 2 Notice of a directors' meeting shall be given to each director in writing

## **7 Quorum for directors' meetings**

7 1 Subject to article 7 2, the quorum for the transaction of business at a meeting of directors is any 3 eligible directors (of which at least one of those present must be an Assura Director in office at the relevant time)

7 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 10 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director

7 3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision

7 3 1 to appoint further directors; or

7 3.2 to call a general meeting so as to enable the shareholders to appoint further directors

## **8 Casting vote**

- 8 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall have a casting vote

## **9 Transactions or other arrangements with the Company**

- 9 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

9 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

9 1 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,

9 1 3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,

9 1 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

9 1 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

9 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

## **10 Directors' conflicts of interest**

10 1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid a **Conflict Situation**

10 2 Any authorisation under this article 10 will be effective only if

10 2 1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,

10 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

10 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

10 3 Any authorisation of a **Conflict Situation** under this article 10 may (whether at the time of giving the authorisation or subsequently)

10 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

10 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the **Conflict Situation**,

10 3 3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the **Conflict Situation**,

10 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the **Conflict Situation** as the directors think fit,

10 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the **Conflict Situation** and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and

- 10 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict Situation at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters
- 10 4 Where the directors authorise a Conflict Situation, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict Situation
- 10 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation in accordance with the terms of such authorisation
- 10 6 The directors shall not be in breach of the duties he owes to the Company (and shall be entitled to act and count in a quorum) notwithstanding that there may otherwise be Conflict Situation which arises from the following relationships
- 10 6 1 that the director may be an employee, consultant, director or shareholder of any shareholder who has appointed him or of any Affiliate,
- 10 6 2 that the director may be taken to have, through previous or existing dealings, a commercial relationship with any shareholder who has appointed him or of any Affiliate,
- 10 6 3 that the Director may be a director or other officer of, or be employed by, or otherwise involved in the business of other entities in which any shareholder who has appointed him or an Affiliate has or may have an interest from time to time,
- including (without limitation) in relation to proposals for financing or otherwise promoting the business of (whether in competition with the Company or not) any such other entity
- 10 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with
- 10 7 1 any such other directorship, membership, office, employment, relationship, or
- 10 7 2 his involvement with the shareholder who has appointed him, with a Shareholder Affiliate or with any entity referred to in Article 10 6 3, or
- 10 7 3 any other relationship involving a Conflict Situation which is authorised under Article 10 6 or Article 10 8 or which has been authorised by the directors or by the Company

in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation)

and no contract shall be liable to be avoided on such grounds

- 10 8 Notwithstanding the other provisions of this Article 10, where an Assura Director would otherwise be an Interested Director, that Assura Director shall, insofar as the Conflict Situation relates to any contract, matter, arrangement concerning Assura or relates to any other interest of Assura, be authorised to continue to act without breaching his duty under section 175 of the Act, and he shall be entitled to continue to act and count in any quorum

#### **11 Records of decisions to be kept**

- 11 1 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

#### **12 Number of directors**

- 12 1 Unless otherwise agreed by all of the Assura Directors in office at the relevant time, the maximum number of directors (other than alternate directors) shall be 5 (comprising up to 2 Assura Directors, and up to 3 Dental Directors) The number of directors shall not be fewer than 2 (including at least one Assura Director)

#### **13 Appointment of directors**

- 13 1 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, and subject to Assura not exercising its right under Article 14, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director
- 13 2 The directors may appoint a person to fill a casual vacancy or to replace a temporarily absent Dental Director

#### **14 Appointment and removal of Assura directors**

- 14 1 Assura shall from time to time have the right to appoint, by notice in writing to the Company, and to maintain in office, up to 2 persons as directors (Assura Directors) and to remove an Assura Director and to appoint a replacement
- 14 2 Any appointment or removal of an Assura Director made in accordance with article 14 1 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in

writing, or the production of such notice at a meeting of the directors or, if later, the date (if any) specified in such notice

- 14.3 One or more Assura Directors shall be entitled to be appointed to any committee of the directors established from time to time

## **15 Appointment and removal of alternate directors**

- 15.1 Any Director may appoint as an alternate any director, to

15.1.1 exercise that director's powers, and

15.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor

- 15.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the director making the appointment (appointor), or in any other manner approved by the directors

- 15.3 The notice must

15.3.1 identify the proposed alternate, and

15.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

## **16 Rights and responsibilities of alternate directors**

- 16.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor

- 16.2 Except as the Articles specify otherwise, alternate directors:

16.2.1 are deemed for all purposes to be directors,

16.2.2 are liable for their own acts and omissions,

16.2.3 are subject to the same restrictions as their appointors (although this will not remove the rights of an appointed director who is an Assura Director), and

16.2.4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member

16 3 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

16 4 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company

## **17 Termination of alternate directorship**

17 1 An alternate director's appointment as an alternate terminates

17 1 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

17 1 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,

17 1 3 on the death of the alternate's appointor, or

17 1 4 when the alternate's appointor's appointment as a director terminates

## **Shares and share rights**

### **18 Transfer of shares**

18 1 The directors shall refuse to register any transfer or transmission of any shares unless the transfer or transmission is made in accordance with these Articles, and has been approved by all of the Assura Directors

18 2 The directors of the Company shall, unless the Assura Directors unanimously agree otherwise, refuse to register any transfer of shares to any prospective transferee

18.2.1 whom the directors deem to be or is likely to become (whether directly or indirectly and in any capacity) engaged in any business in competition with the business of the Company;

18.2.2 whom the directors consider would cause or would be likely to cause the Company to cease to qualify for the purposes of the Pensions Regulations and the NHS Pensions Agency,

18.2.3 whom the directors consider would or would be likely cause the Company to.

- (a) fail to comply with or hinder the satisfaction of the additional objects set out in Article 2, or
- (b) whom the directors consider would or may be likely to cause the Company to breach the terms of any existing or future contract of a type referred to in Article 2,
- (c) attempt to change the nature of the Company's business away from that undertaken either at the time of the transfer of the shares or as contemplated in the Company's business plan, or

18.2.4 who the directors consider would be unable to fund the purchase price for the Sale Shares,

18.2.5 in respect of whom the directors consider a Transfer Event would apply, or

18.2.6 whom the directors consider would or would be likely to have an adverse impact upon the business of the Company

## **19 Obligatory transfer of shares**

19.1 A Transfer Event shall be any of the following events occurring in relation to a shareholder (Defaulting Shareholder)

19.1.1 the sale, transfer, assignment, pledge, charge or other disposal by any shareholder of any share or any interest in any share in the Company, or any attempt by a shareholder to sell, transfer, assign, charge or otherwise dispose of any share or any interest in any share in the Company,

19.1.2 his death (in which case references to the "Defaulting Shareholder" shall be references to his personal representatives),



- 19 1 3 the occurrence of a change of status or other event which would mean that, as a result of his holding a share in the Company, the Company would no longer be eligible to participate in the NHS Pension scheme,
- 19 1 4 he ceased to be entitled to hold a General Medical Services Contract or a Personal Medical Services Agreement (in accordance with the rules for eligibility set out in the National Health Service (General Medical Services Contracts) Regulations 2004 and/or the National Health Service (Personal Medical Services Agreements) Regulations 2004) in his own right,
- 19 1 5 he is removed from the General Practitioner Register maintained by the General Medical Council, or ceases to be a registered general practitioner for any reason,
- 19 1 6 he suffers a physical or mental deterioration which is sufficiently serious to prevent him from following his normal employment for a period of 6 consecutive months in any 12 month period, and
- 19 1 7 a bankruptcy order is made against him, or an arrangement or composition is made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors
- 19 2 Each shareholder shall immediately inform the directors of the occurrence of such a Transfer Event, or if circumstances arise that make a Transfer Event reasonably likely to occur
- 19 3 Immediately prior to the occurrence of the Transfer Event
- 19 3 1 the beneficial interest in the shares held by the Defaulting Shareholder (Sale Shares) shall become vested in all the other shareholders of the Company (Ongoing Shareholders) pro rata to their existing shareholders as closely as possible without involving fractions or a sub-division of the Sale Shares), and
- 19 3 2 the Sale Shares shall be automatically disenfranchised, and shall no longer be entitled to participate in any dividends that are declared after the Transfer Event has occurred, until the shares have been registered in the name of the transferee, in accordance with these Articles
- 19 4 At any time after the directors are notified by a shareholder under Article 19 2, or otherwise become aware of the occurrence of a Transfer Event in relation to a shareholder, the directors shall issue a Transfer Notice in respect of all of the Sale Shares and shall give notice of this to the Ongoing Shareholders and to the Defaulting Shareholder, unless prior to the Transfer Notice being given, there is a Nominated Purchaser, in which case the Transfer Notice will be given to both the Nominated Purchaser and the Defaulting Shareholder

- 19.5 At any time after the service by the directors of a Transfer Notice pursuant to Article 19.4, either the Assura Directors may resolve to nominate or the Defaulting Shareholder may nominate a person who is entitled to be registered as a shareholder in accordance with these Articles to be the transferee of the Sale Shares (**Nominated Purchaser**). Where the Defaulting Shareholder nominates the Nominated Person, the Assura Directors shall not unreasonably refuse their consent to a transfer of the Sale Shares to such Nominated Person if they are satisfied (after undertaking any necessary investigations) that the Nominated Person would be entitled to be registered as a shareholder in accordance with these Articles.
- 19.6 The Transfer Notice shall
- 19.6.1 if it is given to a Nominated Purchaser, specify the Nominated Purchaser as the purchaser of the Sale Shares and it shall be for all of the Sale Shares,
- 19.6.2 if it is given to the Ongoing Shareholders, specify the number of Sale Shares to be purchased by each Ongoing Shareholder, reflecting the same apportionment and allocation of the Sale Shares as the transfer of the beneficial interest in the Sale Shares under Article 19.3.1,
- 19.6.3 specify the price to be paid for the Sale Shares
- 19.7 In determining the purchase price for the Sale Shares pursuant to Article 19.6.3, no value shall be ascribed to any goodwill of the Company
- 19.8 Following the service of the Transfer Notice contracts will be deemed to have been formed for the sale and purchase of the Sale Shares. Completion of the sale and purchase of shares under this article 19 shall take place in the absence of other agreement, 10 business days after deemed delivery of the Transfer Notice, unless by the completion date any of Ongoing Shareholders or the Nominated Purchaser (as applicable) would no longer be entitled to be registered as a shareholder under these Articles, when the transfer process will be recommenced by the directors
- 19.9 At such completion
- 19.9.1 if the shares are to be transferred to the Nominated Purchaser, the beneficial interest in the Sale Shares will be deemed to have transferred from the Ongoing Shareholders to the Nominated Purchaser,
- 19.9.2 the Defaulting Shareholder shall deliver, or procure that there is delivered to the Ongoing Shareholders or to the Nominated Purchaser (as applicable), a duly completed share transfer form transferring the legal ownership of the Sale Shares to the Ongoing Shareholders or to the Nominated Purchaser (as applicable), together

with the relevant share certificates and such other documents as the Ongoing Shareholders or the Nominated Purchaser (as applicable) may reasonably require to show good title to the Sale Shares, or to enable them to be registered as the holders of the Sale Shares,

19 9.3 the Ongoing Shareholders or the Nominated Purchaser (as applicable) shall deliver or procure that there is delivered to the Defaulting Shareholder the purchase price, and

19 9.4 if relevant, the Defaulting Shareholder shall deliver his resignation from any position with the Company

19 10 The Sale Shares shall be sold by the Defaulting Shareholder with full title guarantee

19 11 If the Defaulting Shareholder makes default in transferring the Sale Shares, the Company may receive the purchase price on his behalf and the directors may authorise some person to execute a transfer of such Sale Shares in favour of the Ongoing Shareholders or the Nominated Purchaser (as applicable). The Company shall hold the purchase price (but not on trust) and it shall become a debt owed to the Defaulting Shareholder

19 12 The directors and the Ongoing Shareholders shall procure the registration (subject to due stamping by the Ongoing Shareholders or by the Nominated Purchaser (as applicable)) of the transfers of the Sale Shares in the Company effected pursuant to these Articles

## **Decision making by shareholders**

### **20 Poll votes**

20 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

20 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

### **21 Proxies**

21 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

- 21 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

## **Administrative arrangements**

### **22 Entrenchment of Provisions**

- 22 1 The provisions contained in articles 2 (objects) 3 (directors' authority), 4 (Assura Directors' approvals), 7 1 (quorum), 8 1 (casting vote), 12 (number of directors), 14 (appointment and removal of Assura Directors), 18 (transfer of shares), 19 (obligatory transfers) and this article 22 shall, in accordance with section 22 of the Act, be entrenched into these Articles. Such provisions shall only be amended if

22 1 1 the amendments have the unanimous approval of all of the shareholders, or

22 1 2 the amendments have the approval of all of the Assura Directors in office at the relevant time and shareholders holding 90% of the voting rights in the Company pass a resolution approving such changes

### **23 Means of communication to be used**

- 23 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

23 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),

23 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

23 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

23 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, no account shall be taken of any part of a day that is not a working day

23 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

## **24 Indemnity**

24 1 Subject to article 23 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

24.1 1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them, and
- (b) in relation to the Company's (or any associated Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs, and

24 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 23 1 1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

24.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

24 3 In this article

24 3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

24 3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

## 25 Insurance

25 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

25 2 In this article

25 2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

25 2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

25 2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

Notwithstanding anything contained in these articles, whether expressly or impliedly contradictory to the provisions of this article 26 (to the effect that any provision contained in this article 26 shall override any other provision of these articles):

- (a) the directors of the company shall not decline to register any transfer of shares, nor may they suspend registration of any transfer of shares, where such transfer:
  - (i) is to a bank, institution or other person which has been granted a security interest over or in respect of such shares, or to any nominee of such a bank, institution or other person (or a person acting as agent or security trustee for such person) (a **Secured Institution**) and a certificate by any such person or an employee of any such person that a security interest over or in respect of such shares was so granted and the transfer was so executed shall be conclusive evidence of such facts;
  - (ii) is delivered to the company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
  - (iii) is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under such security,

and the directors shall promptly register any such transfer of shares upon receipt;

- (b) the directors of the company shall not issue any share certificates (whether by way of replacement or otherwise) without the prior written consent of (or on behalf of) all (if any) Secured Institutions (as defined in article 26 (a)(i) above);
- (c) any lien set out in these articles shall not apply to shares held by a Secured Institution (as defined in article 26 (a)(i) above);
- (d) any variation of this article 26 shall be deemed to be a variation of the rights of each class of share in the capital of the Company; and
- (e) any pre-emption rights contained in these articles shall not apply in relation to any shares which are subject to a security interest in favour of a Secured Institution from time to time.

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