

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

COMMUNITY HEALTH PARTNERSHIPS LIMITED

(Adopted by written resolution passed on 11th November 2010)

1. Preliminary

1.1 In these Articles, unless the context otherwise requires:

“**the Act**” means the Companies Act 2006;

“**the Articles**” means the company's articles of association for the time being in force;

“**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.

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:

(a) any subordinate legislation from time to time made under it; and

(b) 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 Article 20 of the Model Articles shall be amended by the insertion of the words “and the secretary” before the words “properly incur”.
- 1.9 Article 14 and Article 49 of the Model Articles shall not apply to the company.

2. The company’s objects

2.1 The company’s objects are:

- 2.1.1 to assist healthcare bodies and other public bodies (whether local, municipal, regional, national, devolved or otherwise, and whether of the United Kingdom or elsewhere) (“**Authorities**”) in the development, procurement, financing, implementation and management of private finance and public private partnership projects (being projects and undertakings the resources for which are provided partly by public bodies and partly by public bodies and partly by private persons) in relation to initiatives to improve primary and other health, social and social care facilities and services together with any income producing and/or other retail activities which may provide funding for the foregoing (“**Healthcare Initiatives**”), by entering into joint ventures, by participating in public private partnership projects with private persons, or by acting as an investor, financier, sponsor, consultant or otherwise, and to promote the development and use of public private partnerships within the healthcare, social and social care market generally;
 - 2.1.2 to enter into any partnership, arrangement for sharing profits, union of interest, co-operation, joint venture, reciprocal concession, contract, transaction or similar arrangement with any person, firm, association, Authority or company in relation to any Healthcare Initiative;
 - 2.1.3 to employ the funds of the company in the development and expansion of the business of the company and all or any of its subsidiary or associated companies and in any other company (including its subsidiary or associated companies) engaged in any like business of the company (or in any related, ancillary or connected business) in relation to Healthcare Initiatives;
 - 2.1.4 to invest or divest in, own, manage or otherwise deal with any land or property, on the company’s own account or the account of others; and
 - 2.1.5 to do all things as are or may be conducive or incidental to the above objects or any of them.
- 2.2 Nothing in Article 2.1 shall be construed as a limit on the company’s objects, and the company shall be entitled to all such things as it deems desirable.

3. Share Capital

- 3.1 Section 550 of the Act shall apply to the company.
- 3.2 The provisions of section 561 of the Act shall not apply to the company.

4. General Meetings

- 4.1 A general meeting may be called by shorter notice if it is so agreed by a majority in numbers of the members having a right to attend and vote, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- 4.2 If the company has a single member, such member shall be entitled at any time to call a general meeting.
- 4.3 The notice of a general meeting shall specify the terms of any resolution to be proposed at it.
- 4.4 The notice of a general meeting shall be copied to the auditors of the company.
- 4.5 If a single member takes any decision which may be taken by the company in general meeting, the single member shall (unless that decision is taken by way of written resolution) provide the company with a written record of that decision. However, failure to do so shall not affect the validity of such decision.
- 4.6 Article 41(1) of the Model Articles shall be modified by the addition at the end of that Article of the following sentence: "If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved. If the company has only a single member, the preceding provisions of this Article 41(1) as to adjournment shall not apply and, if within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall be dissolved and shall not be adjourned."
- 4.7 A resolution in writing in accordance with the Act shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them on behalf of all such joint holders shall be sufficient for the purposes of that regulation. The directors shall cause a record of each resolution in writing, and of the signatures to it, to be entered in a book in the same way as minutes of proceedings of a general meeting of the company and to be signed by a director or the secretary of the company.
- 4.8 At or before the time a proposed written resolution is supplied to a member for signature, the directors and the secretary of the company shall, if the company has auditors, secure that a copy of the resolution is sent to them, or that they are otherwise notified of its contents.
- 4.9 A proxy shall be entitled to vote on a show of hands.
- 4.10 The company shall, unless directed otherwise by an Ordinary Resolution of the members of the company, hold an annual general meeting at least once in every calendar year, and not more than 15 months shall elapse between the date of the last annual general meeting and the next. All provisions relating to notice, quorum, voting, adjournment and other provisions relating to the administration of a general meeting of the company shall also apply to an annual general meeting of the company.

5. Appointment, removal and disqualification of directors

- 5.1 Without prejudice to the powers of the company under section 168 of the Act to remove a director by Ordinary Resolution, the holder or holders for the time being of more than one half of the issued Ordinary Shares of the company shall have the power from time to time and at any time to appoint any person or persons as a director or directors and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or (in the case of a member being a corporation) signed on its behalf by one of

its directors or its secretary and shall take effect upon lodgement at the registered office of the company.

- 5.2 The office of a director shall be vacated if he is removed from office under Article 5.1, and Article 18 of the Model Articles shall be modified accordingly by the addition of an additional part (g) as set out below:

“(g) that person is removed from the office of director pursuant to article 5.1 of the company’s articles.”

6. The Seal

- 6.1 If the company has a seal, it shall only be used with the authority of the directors or a committee of the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or a second director. The obligation under Article 24 of the Model Articles relating to the sealing of share certificates shall apply only if the company has a seal.

- 6.2 If the company has a common seal, the company may also have an official seal for use abroad under the provisions of the Act, where and as the directors shall determine, and the company may by writing under the common seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the company, for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the common seal of the company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

7. Notices

Any notice required by these Articles or the Act to be given by the company to a member of the company may be given by any visible form on paper, including telex, facsimile and electronic mail, and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed.

8. Indemnity

The indemnity contained in Article 52 of the Model Articles shall also apply to the secretary of the company.

9. Directors’ power to authorise conflict situations

- 9.1 For the purposes of section 175 of the Act, the directors shall have the power to authorise, on such terms (including as regards duration and revocation) and subject to such limits or conditions (if any) as they may determine (“**Conflict Authorisation**”), any matter proposed to them in accordance with these articles which would, or might, if not so authorised, constitute or give rise to a situation in which a director (a “**Relevant Director**”) has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the company (a “**Conflict Situation**”). Any Conflict Situation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised.

- 9.2 Where directors give a Conflict Authorisation:

- 9.2.1 the terms of the Conflict Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded);
 - 9.2.2 the directors may revoke or vary such authorisation at any time but this will not affect anything done by the Relevant Director prior to such revocation or variation in accordance with the terms of such authorisation; and
 - 9.2.3 the Relevant Director shall be obliged to act in accordance with any terms, limits or conditions to which such Conflict Authorisation is made subject.
- 9.3 Any terms to which a Conflict Authorisation is made subject ("**Conflict Authorisation Terms**") may include (without limitation to Article 9.1) provision that:
- 9.3.1 where the Relevant Director obtains (other than in his capacity as a director of the company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the company) information that is confidential to a third party, he will not be obliged to disclose it to the company or to use it directly or indirectly for the benefit of the company or in performing his duties as a director of the company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party;
 - 9.3.2 the Relevant Director may (but shall be under no obligation to) absent himself from the discussion of, and/or the making of decisions relating to, the relevant matter (whether at any meeting of the directors or otherwise) and be excused from reviewing documents and information prepared by or for the directors to the extent that they relate to that matter; and
 - 9.3.3 the Relevant Director be excluded from the receipt of documents and information, the participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the relevant matter,
- and anything done (or omitted to be done) by the Relevant Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 9.1) will not constitute a breach by him of his duties under sections 172 to 174 of the Act.
- 9.4 Authorisation is given by the members of the company for the time being on the terms of these Articles to each director for the time being (including any alternate) in respect of any Conflict Situation that exists as at the date of adoption of these Articles or that subsequently arises because (in either case) the director is or becomes a shareholder, investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by any Relevant Member Entity ("**Member Conflict Authorisation**"). The Conflict Authorisation Terms applicable to the Member Conflict Authorisation ("**Member Conflict Authorisation Terms**") are automatically set by this Article 9.4 so that the director:
- (a) is not obliged to disclose to the company information that is confidential to a third party obtained by him (other than in his capacity as a director of the company or as its employee or agent or in any other capacity that would otherwise oblige him to disclose it to the company) in any situation to which the Member Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the company or in performing his duties as a director of the company, in circumstances where to do so would amount to a breach of duty of confidence owed to that third party; and

- (b) may (but shall be under no obligation to):
 - (i) absent himself from the discussion of, and/or the making of decisions,
 - (ii) make arrangements not to receive documents and information,

relating to the Conflict Situation concerned,

and the company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Member Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 of the Act.

9.5 In this Article 9 “**Relevant Member Entity**“ means:

- (a) any registered holder of shares in the company (“**Member**”);
- (b) any body corporate in which a Member holds for the time being or has ever held or are or may become obliged (whether or not contingently) to make or acquire any investment (whether debt, equity or otherwise); and
- (c) any other body corporate which is in the same group as any Member or with whom the Member (or a member of its group) has or is proposing or considering having any business or commercial dealings or relationship.

10. Directors’ power to authorise transactions or arrangements with the company

10.1 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 Act, a director (a “**Transaction Relevant Director**”) who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company, upon receiving the authorisation of the directors (“**Transaction Authorisation**”) (on such terms and subject to such limits or conditions (if any) as they may determine),:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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
- (f) 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.

10.2 Authorisation of the directors under this Article 10 is only effective if:

- (a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and
- (b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

10.3 Where directors give a Transaction Authorisation:

10.3.1 the terms of the Transaction Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded);

10.3.2 the directors may revoke or vary such authorisation at any time but this will not affect anything done by the Relevant Director prior to such revocation or variation in accordance with the terms of such authorisation; and

10.3.3 the Transaction Relevant Director shall be obliged to act in accordance with any terms, limits or conditions to which such Transaction Authorisation is made subject.

10.4 Any terms to which a Transaction Authorisation is made subject ("**Transaction Authorisation Terms**") may include (without limitation to Article 10.1) provision that:

10.4.1 where the Transaction Relevant Director obtains (other than in his capacity as a director of the company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the company) information that is confidential to a third party, he will not be obliged to disclose it to the company or to use it directly or indirectly for the benefit of the company or in performing his duties as a director of the company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party;

10.4.2 the Transaction Relevant Director may (but shall be under no obligation to) absent himself from the discussion of, and/or the making of decisions relating to, the relevant matter (whether at any meeting of the directors or otherwise) and be excused from reviewing documents and information prepared by or for the directors to the extent that they relate to that matter; and

10.4.3 the Transaction Relevant Director be excluded from the receipt of documents and information, the participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the relevant matter,

and anything done (or omitted to be done) by the Transaction Relevant Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 10.1) will not constitute a breach by him of his duties under sections 172 to 174 of the Act.

10.5 Authorisation is given by the members of the company for the time being on the terms of these Articles to each director for the time being (including any alternate) in respect of any transaction or arrangement with the company that exists as at the date of adoption of these Articles or that subsequently arises because (in either case) the director is or becomes a shareholder, investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by any Relevant Member Entity ("**Member Transaction Authorisation**"). The Transaction Authorisation Terms applicable to the Member Transaction Authorisation ("**Member Transaction Authorisation Terms**") are automatically set by this Article 10.5 so that the director:

- (a) is not obliged to disclose to the company information that is confidential to a third party obtained by him (other than in his capacity as a director of the company or as its employee or agent or in any other capacity that would otherwise oblige him to disclose it to the company) in any situation to which the Member Transaction Authorisation applies, nor to use any such information directly or indirectly for the benefit of the company or in performing his duties as a director of the company, in circumstances where to do so would amount to a breach of duty of confidence owed to that third party; and
- (b) may (but shall be under no obligation to):
 - (i) absent himself from the discussion of, and/or the making of decisions,
 - (ii) make arrangements not to receive documents and information,

relating to the transaction or arrangement with the company concerned,

and the company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Member Transaction Authorisation Terms as a breach by him of his duties under sections 172 to 174 of the Act.

10.6 In this Article 10 "**Relevant Member Entity**" means:

- (a) any registered holder of shares in the company ("**Member**");
- (b) any body corporate in which a Member holds for the time being or has ever held or are or may become obliged (whether or not contingently) to make or acquire any investment (whether debt, equity or otherwise); and
- (c) any other body corporate which is in the same group as any Member or with whom the Member (or a member of its group) has or is proposing or considering having any business or commercial dealings or relationship.