

No 7556595

**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**HOOPLE LTD**

(Adopted by Special Resolution passed on 14<sup>th</sup> June 2016)

## INTRODUCTION

### 1 Interpretation

1.1 In these Articles, unless the context requires otherwise:

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

“**associated company**” means any subsidiary or holding company of the Company or any other subsidiary of the Company’s holding 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;

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

“**Conflict**” has the meaning given in article 10.1;

“**Contributor**” means any person including a principal member who contributes to the Company in proportion to the use they make of services provided by the Company; as approved by shareholders

“**Company**” means Hoople Ltd a private company limited by shares registered in England and Wales under number 07556595;

“**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);

“**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 at the date of adoption of these Articles;

“**principal member director**” means a director appointed by a principal member under article 13.3;

**“principal members”** means such of Herefordshire Council, Herefordshire Primary Care Trust and Wye Valley National Health Service Trust as are shareholders for the time being, and “principal member” shall be construed accordingly;

**“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) CA 2006), 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).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles 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 CA 2006 have the same meanings in these Articles.
- 1.3 Headings in these Articles are 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 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, 17(2), 30 to 36 (inclusive), 44(2), 49, 52 and 53 of the Model Articles do not apply to the Company.

## **2 Company's objects**

- 2.1 The Company's objects are to provide services to its members and to that end to do and make any acts or things that are necessary, conducive or ancillary to the achievement of that objective.

## **DIRECTORS**

### **3 Directors' general authority**

- 3.1 Article 3 of the Model Articles is amended by the insertion at the end of that Article of the words "However, notwithstanding any other provision of these Articles of Association or the Model Articles, the directors shall not undertake any of the matters reserved to shareholders set out in the Company's Scheme of Reservation & Delegation' without the sanction of an ordinary resolution of the shareholders. The authority conferred by such a resolution may (without limiting the generality of the foregoing) be specific or general or take the form of a general authority within a policy approved by the shareholders."

### **4 Directors to take decisions collectively**

- 4.1 Article 7 of the Model Articles is amended by:
- 4.1.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
- 4.1.2 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".
- 4.2 Where a decision is to be taken by the directors, if at any time Herefordshire Council has appointed only one principal member director or only one of Herefordshire Council's principal member directors is participating in taking the decision (in either case, "**sole principal member director**"), the sole principal member director appointed by Herefordshire Council shall be entitled to take the decision as if he were two principal member directors. If the decision is taken by way of a vote, the sole principal member director shall be entitled to cast two votes.

## **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 Any director may call a directors' meeting by giving not less than five 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, or sent 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 two directors including at least one principal member director drawn from any principal member.
- 7.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 10.1 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, with the sanction of an ordinary resolution of the shareholders; or
- 7.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## **8 Chairing of directors' meetings**

8.1 The directors may use their powers of appointment and removal under Article 12 of the Model Articles to ensure that one of their number shall be appointed the chair of the board of directors ("the **Chair**") and shall hold office for two years. The Chair, if appointed, must be a non-executive director i.e. not a member of the company's executive team.

## **9 Casting vote**

9.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chair, if appointed, has a casting vote.

9.2 Article 9.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Chair or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

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

10.1 For the purposes of section 175 CA 2006, the directors may authorise any matter proposed to them in accordance with these Articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company (a "**Conflict**"). Any such authorisation will be effective only if:

10.1.1 any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and

10.1.2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The directors may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions they may expressly impose but such authorisation is otherwise given to the fullest extent permitted. The directors may vary or terminate any such authorisation at any time.

For the purposes of the Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

10.2 A director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a Conflict, this Article applies only if the existence of that relationship has been approved by the directors pursuant to article 10.1. In particular, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 CA 2006 because he fails:

10.2.1 to disclose any such information to the board or to any director or other officer or employee of the Company; and/or

10.2.2 to use or apply any such information in performing his duties as a director of the Company.

10.3 Where the existence of a director's relationship with another person has been approved by the board pursuant to article 10.1 and his relationship with that person gives rise to a Conflict, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 CA 2006 because he:

10.3.1 absents himself from meetings of the board at which any matter relating to the Conflict will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or

10.3.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the Conflict sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser,

for so long as he reasonably believes such Conflict subsists.

10.4 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **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 determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall not be less than two.

## **13 Appointment of directors**

13.1 The directors may only exercise their power under Article 17 of the Model Articles to appoint directors where they have the sanction of an ordinary resolution of the shareholders.

13.2 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, 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.

13.3 Each of the principal members shall have the right by notice in writing to the Company to appoint and remove directors to be designated as Principal Member Directors. Wye Valley Trust will have the right to appoint or remove one such director drawn from its non-executive board members. Herefordshire Council will have the right to appoint or remove two such directors.

13.4 In the case of the principal member director appointed by Wye Valley Trust, if he ceases to be a non- executive board member of Wye Valley Trust, he shall automatically be disqualified as, and shall cease to be, a director upon the event giving rise to the disqualification or upon the principal member appointing a successor, whichever is earlier, unless the board approves an extension to his directorship for up to six months.

13.5 The shareholders may by ordinary resolution from time to time appoint and remove up to four additional directors including the option to designate as independent directors.



## **14 Directors' expenses**

14.1 Article 20 of the Model Articles is amended by:

14.1.1 the deletion of the word “may” and insertion of the word “must” in its place before the words “pay any reasonable expenses”; and

14.1.2 the insertion of the words “and the secretary” before the words “properly incur”.

## **15 Secretary**

15.1 The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

## **SHARES AND DISTRIBUTIONS**

### **16 Initial share transfers and directors' authority to allot shares**

16.1 At such time as the parties to the transfer mutually agree, Herefordshire Council may transfer to each of Herefordshire Primary Care Trust and Wye Valley National Health Service Trust (“**recipient**”) by way of gift such proportion of the Council's shareholding in the Company as the recipient's anticipated contribution to the Company's revenues in its first year of operation bears to the Company's total anticipated revenues for that year.

16.2 Save to the extent authorised by these articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company.

16.3 As soon as practicable after but within 12 months of the end of the third, and every subsequent third, financial year of the Company, the Directors shall offer to the shareholders at that time such number of additional shares at par, or require the surrender or transfer to the Company (for no consideration under section 659(1) CA 2006) of such number of shares as shall bring their relative holdings of shares in the Company as nearly as may be to the proportion which each such shareholder's purchases from the Company bears to the total purchases by all such shareholders from the Company in

the preceding three financial years, as certified by the auditors, whose certificate shall be final and binding save in case of manifest error.

- 16.4 Each shareholder hereby appoints the Company as his attorney for the purpose of executing any stock transfer form or other document that may be necessary or desirable to give effect to the terms of this Article.

**17 Exclusion of statutory pre-emption rights**

- 17.1 Pursuant to section 567 CA 2006, the provisions of section 561 CA 2006 (existing shareholders' right of pre-emption) and section 562 CA 2006 (communication of pre-emption offers to shareholders) shall not apply to an allotment of equity securities (as defined in section 560 CA 2006) made by the Company.

**18 Replacement share certificates**

- 18.1 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" are deleted and replaced with the words "evidence and indemnity".

**19 Transmission of shares**

- 19.1 Article 27(3) of the Model Articles is amended by the insertion of the words ", subject to article 13," after the word "But".

**20 Transmittees bound by prior notices**

- 20.1 Article 29 of the Model Articles is 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".

**21 Surrender of shares**

- 21.1 Any shareholder may be required by ordinary resolution of the shareholders to surrender or transfer (as the resolution requires) his shares to the Company for no consideration under section 659(1) CA 2006 if the shareholder:

21.1.1 is not or ceases to be a customer of the Company;

21.1.2 is not or ceases to be a public body; or

21.1.3 is dissolved.

21.2 Each shareholder hereby appoints the Company as his attorney for the purpose of executing any stock transfer form or other document that may be necessary or desirable to give effect to the terms of this Article.

## **22 Payment of dividends and other distributions**

22.1 The Company shall not pay any dividend or interest on shares.

22.2 If on the recommendation of the directors the Company by ordinary resolution in general meeting at any time so decides then the whole or a part of the surplus income for any accounting year of the Company after payment of all outgoings and expenses for that year shall be divided between the persons who were Contributors of the Company during the whole or a part of that year in proportion to the use made by them during that year of the services provided by the Company but no person who has ceased to be a Contributor of the Company more than five years before the commencement of the accounting year during which any such division is made shall be entitled to participate in that division notwithstanding his membership of the Company during the accounting year in which the surplus income to be distributed arose.

## **DECISION MAKING BY SHAREHOLDERS**

### **23 Poll votes**

23.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 CA 2006) present and entitled to vote at the meeting.

23.2 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.

### **24 Proxies**

24.1 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".

- 24.2 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**

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

- 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, 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 be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by CA 2006.

## 26 **Indemnity**

26.1 Subject to the provisions of, and so far as may be consistent with, the Companies Acts and any other provision of law, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the Company shall indemnify every relevant officer out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties and/or the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in relation to any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as a relevant officer PROVIDED that in the case of any director, any such indemnity shall not apply to any liability of that director:

26.1.1 to the Company or to any of its associated companies;

26.1.2 to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or

26.1.3 incurred:

(i) in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the Company, or any of its associated companies, in which judgment is given against him; or

(ii) in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234 CA 2006.

26.2 Every director shall be entitled to have funds provided to him by the Company to meet expenditure incurred or to be incurred in connection with any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a director, provided that he will be obliged to repay such amounts no later than:

- 26.2.1 in the event he is convicted in proceedings, the date when the conviction becomes final;
- 26.2.2 in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or
- 26.2.3 in the event of the court refusing to grant him relief on any application under any statute for relief from liability, the date when refusal becomes final

in each case where the conviction, judgment or refusal by the court is final within the meaning stated in section 234 CA 2006.

## **27 Insurance and Risk Registers**

- 27.1 The directors shall purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss, which shall be commensurate with the open risks that the Company has identified and recorded.
- 27.2 In this article 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.
- 27.3 The directors shall create and maintain a register detailing the risks identified in accordance with article 28.1. The register shall be open for inspection by the Company’s principal members.
- 27.4 Risks that are extraordinary in the opinion of the directors shall be reported to the relevant principal member(s).

## **28 Local authority controlled or influenced company**

- 28.1 If at any time the Company is a “regulated company” for the purposes of the Local Authorities (Companies) Order 1995, the Company shall comply with the requirements of that Order.

**29 Dissolution**

- 29.1 Upon the winding-up of the Company any surplus remaining after the satisfaction of all its debts and liabilities and the repayment of paid up share capital shall be divided between the persons who during the whole or a part of the period of five years immediately preceding the commencement of winding up were Contributors of the Company in a reasonable proportion to their contribution to the said surplus.

**30 Company Seal**

- 30.1 The Company opt not to use the Common Seal.

**31 Matters Reserved to Shareholders**

This is included in the Company's 'Scheme of Reservation & Delegation', which will be reviewed by the Shareholders and the Board every six monthly. Any proposed changes by the Board will have to be approved by the Shareholders.