

**COMPANIES (GUERNSEY) LAW, 2008 (AS AMENDED) (the
"Law") MEMORANDUM OF INCORPORATION**

of

LES BOURGS HOSPICE

1. The Company's name is "Les Bourgs Hospice".
2. The Company's registered office is to be situated in Guernsey.
3. The Company's objects (the "**Objects**") are:
 - 3.1 to provide a hospice and related services for the people of the Bailiwick of Guernsey in line with Christian philosophies;
 - 3.2 to provide relief of physical, emotional, social and spiritual suffering for those who are living with cancer and other illnesses that are no longer responsive to curative treatments and for their families and carers;
 - 3.3 to provide hospice care by way of a day facility and an in-patient unit with specialist nursing care;
 - 3.4 to aspire to provide excellent specialist palliative care through research, education and collaboration with fellow healthcare professionals in the community; and
 - 3.5 to do all such other acts and things as are necessary to the foregoing objects and may lawfully be done by a company established for charitable purposes only.
4. In furtherance of the Objects but not otherwise the Company shall have power:
 - 4.1 to purchase, take on lease or in exchange, hire or otherwise acquire any real and personal estate which may appear convenient;
 - 4.2 to accept any gift of property, whether subject to any special trust or not, for any purpose within the Objects;
 - 4.3 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate bank accounts in the name of the Company;
 - 4.4 to co-operate with other authorities, bodies, companies or persons (whether public or

private) for purposes calculated to attain the Objects;

- 4.5 to take such steps as may seem expedient for the purpose of making the inhabitants of Guernsey aware of the aims, objects and activities of the Company or for procuring contributions to the funds of the Company;
- 4.6 to promote or carry out research, to provide advice and training and to print, publish or distribute information, books, leaflets and periodicals;
- 4.7 to employ or engage (paid or unpaid) such agents, advisors or staff as are necessary for the proper pursuit of the Objects and to pay pensions and superannuation to staff and their dependents;
- 4.8 to enter into contracts, agreements and arrangements with any person for the carrying out by such person on behalf of the Company of any of the Objects;
- 4.9 to remunerate any person rendering services to the Company whether by cash payment or otherwise as may be thought expedient;
- 4.10 to sell, lease, mortgage or otherwise deal with all or any part of the property of the Company;
- 4.11 to borrow and raise money and secure its repayment in any manner and to give guarantees;
- 4.12 to arrange events and organise other initiatives for the purpose of raising funds;
- 4.13 to invest the funds of the Company in or upon such investments, securities or property as may be thought fit and to employ investment managers;
- 4.14 to subscribe to any local or other charities, and to give donations for any public purpose;
- 4.15 to establish and support, and to aid in the establishment and support of, any other association formed to promote all or any of the Objects;
- 4.16 to amalgamate with any companies, institutions, societies or associations having objects wholly or in part similar to those of the Company;
- 4.17 to purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any body with which the Company is authorised to amalgamate;
- 4.18 to transfer all or any part of the property, assets, liabilities and engagements of the Company to any body with which the Company is authorised to amalgamate;

- 4.19 to establish subsidiary companies or to acquire an interest in any firm or company or enter into partnership or into any agreements for sharing profits or for cooperation or for mutual assistance;
 - 4.20 to pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of the Company;
 - 4.21 to provide indemnity insurance to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty in relation to the Company provided that any such insurance shall not extend to any claim arising from any act or omission which the Director knew to be a breach of trust or breach of duty or which was committed by the Directors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the Directors or any of them in their capacity as Directors of the Company;
 - 4.22 to carry on any trade or business which is calculated to facilitate or is conducive or incidental to the attainment of the Objects (or any of them); and
 - 4.23 to do all such other things as may be deemed incidental or conducive to the attainment of the Objects (or any of them).
5. None of the powers in paragraph 4 of this Memorandum shall be restrictively construed but the widest interpretation shall be given to each of such powers, and none of these powers shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other power or powers, or by reference to or inference from the name of the Company.
 6. The income and property of the Company shall be applied solely towards the promotion of the Objects and no part shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to members of the Company.
 7. The maximum number of members which the Company is to have is eleven.
 8. The Company is a non-cellular company within the meaning of section 2(1) of the Companies (Guernsey) Law, 2008, and the liability of its members is limited by guarantee within the meaning of section 2(2) of that law.
 9. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10 for each member) to the Company's assets if it should be wound up while he or she is a member or within one year after such membership ceases, for payment of the Company's debts and liabilities contracted before such membership

ceased, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

10. If on the winding up of the Company there remains any surplus after the satisfaction of all its debts and liabilities, the surplus shall not be distributed among the members but shall be distributed in accordance with Article 22.1 of the Articles of Incorporation of the Company.
11. The signature of the Company shall be:
 - 11.1 "Les Bourgs Hospice" with the addition of the signature(s) of one or more person(s) authorised generally or specifically by the Directors for such purpose; or
 - 11.2 the Common Seal of the Company (if any) countersigned by such person(s) as the Directors may at any time authorise in that behalf.

ARTICLES OF INCORPORATION
of
LES BOURGS HOSPICE

TABLE OF CONTENTS

1.	INTERPRETATION.....	7
2.	STANDARD ARTICLES DISAPPLIED	8
3.	MEMBERS.....	8
4.	GENERAL MEETINGS.....	9
5.	NOTICE OF GENERAL MEETINGS	9
6.	PROCEEDINGS AT GENERAL MEETINGS.....	10
7.	VOTING	11
8.	PROXIES	13
9.	APPOINTMENT AND RETIREMENT OF DIRECTORS.....	15
10.	DISQUALIFICATION AND REMOVAL OF DIRECTORS.....	16
11.	REMUNERATION, EXPENSES AND BENEFITS	17
12.	POWERS AND DUTIES OF THE DIRECTORS.....	17
13.	PROCEEDINGS OF THE DIRECTORS	18
14.	DIRECTORS' INTERESTS.....	20
15.	SECRETARY	21
16.	RULES	21
17.	SEALS	22
18.	MINUTES.....	22
19.	INCOME OF THE COMPANY	23
20.	ACCOUNTS AND INFORMATION	23
21.	NOTICES	23
22.	WINDING UP	24
23.	INDEMNITY	24

ARTICLES OF INCORPORATION

of

LES BOURGS HOSPICE

1. INTERPRETATION

1.1 In these articles, unless the context otherwise requires:

Articles:	these Articles of Incorporation as altered from time to time and the expression "this Article" shall be construed accordingly;
Board:	means the board of Directors;
Chairman:	means the Chairman for the time being of the Board of Directors;
clear days:	in relation to the period of a notice means that period excluding the day when the notice is given or deemed given and the day for which it is given or on which it is to take effect;
Director:	means a person appointed as a director of the Company in accordance with the Law and these Articles;
Hospice:	Les Bourgs Hospice, Andrew Mitchell House, Rue du Tertre, St Andrew, Guernsey;
Interested:	in relation to a Director, has the meaning given to that term in section 167 of the Law;
Law:	means the Companies (Guernsey) Law, 2008;
member:	those persons who are aged 18 or over and who are entitled to vote at meetings of the members;
month:	a calendar month;
office:	the registered office from time to time of the Company;
register:	the register of members of the Company;
seal:	any common or official seal that the Company may be

permitted to have under the Statutes or either of them as the case may require;

secretary: the secretary, or if there are joint secretaries any one of the joint secretaries of the Company, and includes an assistant or deputy secretary and any person appointed by the Directors to perform any of the duties of the secretary;

Statutes: every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company;

Trust: Les Bourgs Hospice Charitable Trust (1990);

Trustees: the trustees from time to time of the Trust.

1.2 Unless the context otherwise requires:

- (a) words in the singular include the plural and vice versa;
- (b) words importing any gender include all genders;
- (c) a reference to a person includes a reference to a body corporate or an unincorporated body of persons;
- (d) headings and notes are included only for convenience and shall not affect meaning;
- (e) references to a document being "executed" include references to its being executed under hand or under seal or by any other method;
- (f) references to "writing" include references to any method of representing or reproducing words in a legible and non-transitory form;
- (g) references to a "meeting" shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person;
- (h) words or expressions to which a particular meaning is given by the Statutes when these Articles or any part thereof are adopted bear (if not inconsistent with the subject matter or context) the same meaning in these Articles or that part (as the case may be) save that the word "company" shall include any body corporate; and
- (i) reference to any legislation or to any provision of any legislation (including regulations and orders) includes:
 - (i) that legislation or provision as from time to time amended, re-enacted or

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substituted; and

(ii) any statutory instruments, regulations, rules and orders issued under that legislation or provision.

2. STANDARD ARTICLES DISAPPLIED

2.1 Any standard articles of incorporation referred to in section 16(3) of the Law that may now or in future be applicable to the Company are disappplied and replaced in their entirety by these Articles.

3. MEMBERS

3.1 The maximum number of members which the Company is to have is eleven.

3.2 The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with the Articles shall be members of the Company. No person shall be admitted as a member of the Company unless he is approved by the Directors.

3.3 Membership shall not be transferable and shall cease on death.

3.4 Unless the Directors or the Company in general meeting make other provision, the Directors may in their absolute discretion permit any member of the Company to retire, but after that retirement the number of members is not to be less than one.

3.5 A member shall automatically cease to be a member of the Company upon the member ceasing to be a Director, save where that member is the sole member of the Company.

4. MEETINGS

Annual General Meetings

4.1 The Directors shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Statutes.

Extraordinary General Meetings

4.2 Any meeting other than the annual general meeting shall be called an extraordinary general meeting.

Location of Meetings

- 4.3 All general meetings of the Company may be held at any place in Guernsey or elsewhere as the Directors may determine.

Convening of Meetings

- 4.4 The Directors shall convene extraordinary general meetings in their discretion, on the requisition of members pursuant to the Statutes, and shall forthwith proceed to issue notice of an extraordinary general meeting not later than four weeks after receipt of the requisition.

5. NOTICE OF GENERAL MEETINGS

Length of Notice

- 5.1 Written notice of the date, time and place of any meeting, signed by the persons convening the meeting, shall be given to every member at least ten days before the day of the meeting, provided that all members entitled to attend and vote at the general meeting may in any particular case agree that a general meeting shall be deemed to have been duly called and notice of the intention to propose any special resolution shall be deemed to have been duly given notwithstanding that the meeting is called by less than ten days' notice.

Omission or Non-Receipt of Notice

- 5.2 The accidental omission to give notice of a meeting or the accidental omission to send any document relating to any meeting to, or the non-receipt of any such notice or document by, any person entitled to receive the notice or document shall not invalidate the proceedings at that meeting.

6. PROCEEDINGS AT GENERAL MEETINGS

Quorum

- 6.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. One half of the members present either in person or by proxy or in the case of a corporation by a duly authorised representative shall be a quorum for a general meeting.

Procedure if Meeting Inquorate

- 6.2 If such a quorum is not present 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 stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for the holding of the meeting, the meeting shall be dissolved.

Chairman of General Meeting

- 6.3 The Chairman of the Board shall be the Chairman, unless he is unable to vote at the meeting by reason of conflict. If the Chairman of the Board is unable to attend or if such office is not filled then the Directors then present (assuming a quorum) shall elect one of their number to be Chairman.

Orderly Conduct

- 6.4 The chairman of the meeting shall take such action or give directions for such action to be taken as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall his determination as to whether any matter is of such a nature.

Adjournments

- 6.5 The chairman of the meeting may, with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

Membership details

- 6.6 Section 219 of the Law shall not apply to the Company and there shall be no requirement to make available to any meeting a list of the names and addresses of all members.

7. VOTING

Votes of Members

- 7.1 On a show of hands every member who is present in person at a general meeting of the Company shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote.

Method of Voting

- 7.2 A resolution put to the vote of a meeting shall be decided on a show of hands unless, before or immediately after a vote has been taken on a show of hands, a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded:

- (a) by the chairman; or
- (b) by any two or more of the members present,

and a demand by a person as proxy for a member shall be the same as a demand by the member. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Withdrawal of Demand for a Poll

- 7.3 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

Procedure for Taking a Poll

- 7.4 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

When Poll to be Taken

- 7.5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

Notice of Poll

- 7.6 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

Casting Vote of Chairman

- 7.7 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

Written Resolutions

- 7.8 Anything that may be done by resolution (including a special resolution) passed at a general meeting of the Company may be done by resolution in writing signed by or on behalf of the members who, on the date when a copy of the resolution is sent to the members (or if a copy of the resolution is sent to members on different days, the first of those days) would be entitled to vote on the resolution if it were proposed at a meeting. The written resolution may consist of several instruments in the same form each signed by or on behalf of one or more members. The resolution in writing shall be deemed to be passed when the instrument or last of several instruments is last signed or on such later date as may be specified in the resolution. A written resolution executed by or on behalf of a member may be evidenced by letter, facsimile or in any particular electronic form or otherwise as the Directors may from time to time approve.

Requisite Majority to Pass Written Resolution

- 7.9 The resolution in writing shall be passed by the majority that it would have required if put to the vote on a poll at a general meeting at which the whole of the Company's membership was present in person.

Notice of Proposed Written Resolution

- 7.10 Subject to the Statutes a resolution proposed as a written resolution by the Directors or members of the Company shall be put to members in such a manner as the Directors may determine provided that a copy of the resolution is accompanied by a statement informing each member how to signify agreement to the resolution in accordance with the Statutes and the date by which the resolution must be passed, which may be determined by the Directors in their absolute discretion, provided that in the absence of any such decision, the written resolution shall lapse after 60 days from the date that the resolution is first circulated.

Telephone Meetings

- 7.11 The members may participate in a meeting of the Company by means of a conference telephone or any equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and be counted in a quorum for so long as he is able to speak to and hear the other participants. Such a meeting is deemed to be held in the place in which the chairman of the meeting is present.

Objections or Errors in Voting

7.12 If:

- (a) any objection is raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

Votes on a Poll

- 7.13 On a poll votes may be given either personally or by representative or by proxy (who need not be a member).

8. PROXIES

Execution of Proxies

- 8.1 An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign it.

Form of Proxy

- 8.2 Instruments of proxy shall be in the following form or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve:

"Les Bourgs Hospice

I/We, [], of [] being a member/members of the above-named Company, hereby appoint [] of [], or failing him [] of [], as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on [], and at any adjournment thereof.

Signed on _____."

Instructions to Proxy How to Vote

- 8.3 Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

"Les Bourgs Hospice

I/We, [], of [] being a member/members of the above-named Company, hereby appoint [] of [], or failing him [] of [], as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on [], and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 *for/against

Resolution No 2 *for/against

**Strike out whichever is not desired.*

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on _____."

Delivery of Proxies

- 8.4 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:
- (a) be deposited at the office or at such other place as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director, and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

Cancellation of Proxy's Authority

- 8.5 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

Representatives of Corporations

- 8.6 A corporation which is a member of the Company may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

9. APPOINTMENT AND RETIREMENT OF DIRECTORS

Number of Directors

- 9.1 Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than three nor more than eleven.

Power to Appoint Directors

- 9.2 Save as set out in Article 9.3 below, the power to appoint new Directors, either to fill a vacancy or as an additional director, is vested in the members provided that:

- (a) such appointment is approved by a resolution of the members:
- (b) the person is willing to act a director; and

(c) the appointment does not cause the number of Directors to exceed any maximum number fixed in accordance with these Articles or by the Company in General Meeting.

9.3 In accordance with the covenant contained in the Conveyance dated 15 September 2001 between the trustees of the Andrew Mitchell Christian Charitable Trust ("AMCCT") and Les Bourgs Hospice Properties Limited, the trustees of AMCCT shall, at their sole discretion, be entitled by notice in writing to the Company to appoint one Director and to remove and replace him. For the avoidance of doubt all of the provisions of these Articles other than Article 9.2 will apply to such Director.

Retirement by Rotation

- 9.4 At every annual general meeting three Directors shall retire from office by rotation. It is agreed time will start running from the date that these Articles are adopted by the Company.
- 9.5 The Directors to retire by rotation shall be those who have been longest in office since their last appointments or reappointments. As between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 9.6 If the Company, at the meeting at which Directors retire by rotation, does not fill the vacancies, each retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancies or unless a resolution for the re-appointment of a Director is put to the meeting and lost. Where the number of vacancies is less than the number of Directors willing to be reappointed, a vote will be taken and the vacancies will be filled in accordance with the number of votes in favour of each of the retiring Directors being re-appointed, and where there is a deadlock, the Chairman will have the deciding vote.
- 9.7 No person other than a Director retiring by rotation shall be appointed or re-appointed as a Director at any general meeting unless that person is unanimously appointed by the members.
- 9.8 Any Director who retires at an annual general meeting may, if willing to act, be reappointed. If not re-appointed at such annual general meeting, the Director shall vacate office at the conclusion of the meeting. A person who has completed a period of eight continuous years as Director shall not be eligible to be reappointed until at least one year has expired following the end of his period of office.

10. DISQUALIFICATION AND REMOVAL OF DIRECTORS

10.1 The office of a Director shall be vacated if:

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- (a) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the Directors but only if the minimum number of Directors fixed by these Articles or the Company in general meeting will remain in office when the notice of resignation is to take effect; or
- (b) he is or has been suffering from mental ill health or becomes a patient for any purpose of any statute relating to mental health and the Directors resolve that his office is vacated; or
- (c) he is absent without the permission of the Directors from meetings of the Directors for three consecutive meetings and the Directors resolve that his office is vacated; or
- (d) he ceases to be a Director by virtue of any provision of the Statutes or he becomes prohibited or disqualified by law from being a Director; or
- (e) he has his affairs declared "en désastre" or has a preliminary vesting order made against his Guernsey realty, becomes bankrupt, suspends payment or compounds with his creditors, or is adjudged insolvent or any analogous event occurs under the laws of any jurisdiction; or
- (f) he is convicted of an offence involving dishonesty;
- (g) he is asked to resign as a result of being judged by not less than three-quarters of the Directors of the Company to have breached any rules or standard imposed pursuant to article 16; or
- (h) he is removed from office pursuant to these Articles.

10.2 If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Directors

Removal of Directors by Ordinary Resolution

10.3 The Company in a meeting may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim the Director may have for damages for breach of any contract of service between him and the Company.

11. REMUNERATION, EXPENSES AND BENEFITS

Remuneration

11.1 Unless otherwise agreed by a majority of the members, no member shall receive any payment or other benefit from the Company other than any out-of-pocket expenses reasonably and properly incurred by him in connection with his attendance at meetings of the members or committees of the members or general meetings and the conduct of the

Company's business or in discharge of his duties as a member or officer.

12. POWERS AND DUTIES OF THE DIRECTORS

General Powers of Management Vested in the Directors

- 12.1 Subject to the provisions of the Statutes, the Memorandum of Association and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum of Association or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Directors by these Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors provided that the directors shall not authorise, permit or acquiesce in the sale, transfer or disposal of any real property owned by the company or any subsidiary without the prior consent or approval of the members by ordinary resolution.

Borrowing

- 12.2 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Committees

- 12.3 The Directors may appoint one or more committees consisting of two or more individuals to perform any function or duty which in their opinion would be more conveniently undertaken or carried out by a committee provided that (unless the Directors otherwise resolve) at least two members of every committee must be Directors and all acts and proceedings of any such committee shall be fully and promptly reported to the Directors.

- 12.4 Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of Directors so far as they are capable of applying.

Appointment of Agents

- 12.5 The Directors may, subject to any restriction thereon contained in the Statutes, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as it may determine, including authority for the agent to delegate all or any of his powers. Such appointment may contain such provisions for the protection and convenience of persons dealing with the agent as the Directors may think fit and may authorise the agent to sub-delegate all or any of the powers vested in him.

Requirements for Power of Attorney

- 12.6 A power of attorney shall be signed by at least one Director or in such manner and by such person(s) as the Directors may from time to time determine.

13. PROCEEDINGS OF THE DIRECTORS

Directors Meetings

- 13.1 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. The Chairman or any two Directors may, and the secretary at the request of the Chairman or any two Directors shall, call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

Quorum

- 13.2 The quorum for the transaction of the business of the Directors shall be one third of the total number of Directors and not less than two.

Directors Below Minimum by Reason of Vacancies

- 13.3 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of calling a general meeting.

Appointment of Chairman

- 13.4 The Directors shall appoint one of their number to be the Chairman of the Board of Directors and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of the Directors at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is conflicted or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be Chairman of the meeting. The Chairman shall serve for a period of three years but on the expiry of that period shall be eligible to be reappointed for a further period of three years. A person who has completed a consecutive period of nine years as Chairman shall not be eligible to be reappointed as Chairman until at least two years have expired following the end of his period in office.

Validity of Acts of Directors or Committee

- 13.5 All acts done by a meeting of the Directors, or of a committee of the Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

Resolutions in Writing

- 13.6 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Directors or of a committee of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) a committee of the Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors.

Telephone Meetings of the Directors

- 13.7 All or any of the Directors or any committee of the Directors or any ordinary meeting may participate in a meeting of the Directors or the respective committee or ordinary meeting by means of a conference telephone or any equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum for so long as he is able to speak to and hear the other participants. Such a meeting is deemed to be held in the place in which the chairman of the meeting is present.

Determination of Questions as to Right to Vote

- 13.8 If a question arises at a meeting of the Directors or of a committee of the Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

14. DIRECTORS' INTERESTS

- 14.1 An Interested Director must abstain and not vote.

- 14.2 A Director shall comply with the provisions of section 162 of the Law (relating to disclosure of interests of Directors) but failure to comply with that section does not affect the operation of Article 14.3.

- 14.3 Notwithstanding any rule of law or equity to the contrary, but subject to section 163 of the Law (relating to avoidance of transactions in which a Director is Interested) and section 260(4) of the Law (prohibiting a director from acting as auditor of a company), a Director may:

- (a) contract with the Company in any capacity;
- (b) be a party to any transaction with the Company;
- (c) have any direct or indirect personal involvement or Interest in any transaction or arrangement to which the Company is a party or in which it is otherwise directly or indirectly Interested or involved;
- (d) become a director or other officer of, or otherwise Interested in, any corporation promoted by the Company or in which the Company may be directly or indirectly interested as a shareholder or otherwise; and
- (e) retain any remuneration, profit or benefits in relation to any of the foregoing,

and no contract or arrangement of any kind referred to in this Article may be avoided by reason of a Director's Interest.

- 14.4 A Director who is Interested in a transaction entered into, or to be entered into, by the Company may not:

- (a) vote on any matter relating to the transaction;
- (b) attend a meeting of the Board at which any matter relating to the transaction arises and be included among the Directors present at the meeting for the purposes of a quorum;

- (c) sign a document relating to the transaction on behalf of the Company; and
- (d) do any other thing in his or her capacity as a Director in relation to the transaction, as if the Director was not Interested in the transaction.

15. SECRETARY

Appointment and Removal of Company Secretary

- 15.1 Subject to the provisions of the Statutes, the secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as the Directors may think fit; and any secretary so appointed may be removed by the Directors. A sole Director or member shall not also be secretary of the Company.

16. RULES

- 16.1 The Directors may from time to time make such rules as they may deem necessary or expedient or convenient for the proper conduct and management of the Company, and in particular but without prejudice to the generality of the foregoing, they may by such rules regulate:
- (a) ethical standards to be observed by members and officers of the Company on Company business;
 - (b) the conduct of members of the Company in relation to one another and to the Company's employees;
 - (c) the setting aside of the whole or any part of or parts of the Company's premises at any particular time or times or for any particular purpose or purposes;
 - (d) the procedure at general meetings and meetings of the members and committees of the members in so far as such procedure is not regulated by these Articles;
 - (e) generally, all such matters as are commonly the subject matter of company rules.
- 16.2 The Company in general meeting shall have power to alter, add to or repeal the rules, which shall be binding on all members of the Company.
- 16.3 No rule made under Article 16.1 shall be inconsistent with, or shall affect or repeal anything contained in the Memorandum of Association of the Company or these Articles.

17. SEALS

Common Seal

- 17.1 The Directors may resolve that the Company shall have a common seal. However, if the Company has a common seal, it shall only be used by the authority of the Directors or of a committee of the Directors authorised by 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 by a second Director.

Official Seal for Use Abroad

- 17.2 The Company may have for use in any territory, district or place outside the Island of Guernsey an official seal in the form prescribed, and to be affixed in accordance with the Statutes and the resolution of the Directors to the extent permissible under the Statutes.

18. MINUTES

Minute Books

- 18.1 The Directors shall cause minutes to be made in books kept for the purpose:
- (a) of all appointments of officers made by the Directors; and
 - (b) of all proceedings at meetings of the Company, of the Directors, and of committees of Directors, including the names of those present at each such meeting.

19. INCOME OF THE COMPANY

Application

- 19.1 The income and receipts of the Company shall be applied solely towards the promotion of the objects of the Company as the Directors may from time to time think fit (and in particular the Directors shall have the power to transfer all or any part of such income to the Directors to be applied by them for the advancement of the objects of the Company in such manner as they shall think best) provided that nothing in these Articles shall prevent the payment of reasonable and proper remuneration to any employee of the Company.

20. ACCOUNTS AND INFORMATION

Records to be kept

- 20.1 The Directors shall cause to be kept accounting records which are sufficient to show and explain the Company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the Company and to enable the Directors to ensure that

its balance sheet and profit and loss account are prepared properly and in accordance with the Statutes.

Inspection of Records

20.2 Each member has the right to inspect any accounting records or other book or document of the Company.

21. NOTICES

Form of Notices

21.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.

Service of Notices

21.2 The Company may give any notice to a member:

- (a) personally;
- (b) by sending it by post in a prepaid envelope addressed to the member at his registered address;
- (c) by leaving it at the registered address; or
- (d) by sending it by facsimile, telex or electronic mail to the number or address supplied by the member for the purpose of serving notices on him.

21.3 Any Notice required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid envelope addressed to the Company or to such officer at the Office.

Deemed Notice

21.4 A member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

Time When Notice Deemed Served

21.5 Any notice shall be deemed to have been served in the case of posting in the Bailiwick of Guernsey to an address in the Bailiwick on the second day following the date of posting and in the case of posting in the Bailiwick to an address outside the Bailiwick on the fifth day following the date of posting. In the case of service of any notice by facsimile, telex or electronic mail such notice shall be deemed to have been served at the time of sending

unless sent out of normal business hours in Guernsey in which case it shall be deemed to have been served at start of business on the business day following the date of transmission of such notice.

Proof of Service

- 21.6 In proving service of any notice by post it shall be sufficient to prove that the notice was properly addressed, stamped and posted. In the case of service of any notice by facsimile, telex or electronic mail it shall be sufficient to prove receipt by the sender of a confirmed transmission report.

22. WINDING UP

- 22.1 In a winding up of the Company, any surplus after satisfaction of its debts and liabilities shall be distributed whether in cash or in specie, as follows:
- (a) to the Trust, or if it has ceased to exist;
 - (b) to the Hospice, or if it has ceased to exist;
 - (c) to any other hospice in Guernsey or elsewhere, or if none;
 - (d) to such other charitable objects in Guernsey as the liquidator may determine.

23. INDEMNITY

Indemnity for Officers, etc.

- 23.1 The Directors, Secretary and other officers or employees of the Company shall be indemnified out of the assets of the Company to the fullest extent permitted by the Law from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by reason of any contract entered into or any act done, concurred in or omitted, in or about the execution of their duty or supposed duty or in relation thereto, provided that this Article shall not be deemed to provide for, or entitle any person to, indemnification to the extent that it would cause this Article, or any part of it, to be treated as void under the Law.

Insurance

- 23.2 The Company may provide indemnity insurance to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty in relation to the Company provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was omitted by the Directors in reckless disregard of whether it was a breach of trust or breach of duty or not

and provided also that any insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the Directors or any of them in their capacity as Directors of the Company.

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