



**THE NAIROBI HOSPITAL**

**PROPOSED AMENDMENTS TO THE KHA MEMORANDUM AND ARTICLES OF ASSOCIATION**

NO.	ARTICLE	CURRENT ARTICLE	PROPOSED AMENDMENTS
<b>MEMORANDUM</b>			
1.	1 (b) <b>Clarity of Objectives of KHA</b>		<i>Add: The Kenya Hospital Association will elect the Board of Management which will run the Hospital's affairs as indicated in the Memorandum and Articles of Association and in collaboration with the Medical Advisory Committee as elected by the Admitting Staff Association.</i>
2.	4 <b>Governance</b>	The income and property of the Association whencesoever derived shall be applied solely towards the promotion of the objects of the Association as set forth in this Memorandum of Association; and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, gift, division, bonus, or otherwise howsoever by way of profit, to the members of the Association.	Add: <b>The Board of Management and Members of the Medical Advisory Committee will be remunerated appropriately.</b> Delete the following: <i><del>Provided that nothing herein shall prevent the payment, in good faith of reasonable and proper remuneration to any officer or servant of the</del></i>

		<p>Provided that nothing herein shall prevent the payment, in good faith of reasonable and proper remuneration to any officer or servant of the Association, or to any member of the Association, in return for any services actually rendered to the Association, nor prevent the payment of interest at a rate not exceeding current bank rate on money lent, or reasonable and proper rent for premises demised or let by any member of the Association; but so that no member of the Board of Management of the Association paid by fees, and that no remuneration or other benefit in money or money' worth shall be given by the Association to any member of such Board of Management except payment of remuneration for commercial or professional services rendered by any company or firm of which such member shall be a shareholder, director or partner or repayment of our of pocket expenses and interest at the rate aforesaid on money lent, or reasonable and proper rent for premises demised or let to the Association.</p> <p>Provided that nothing hereinbefore contained shall prevent any payment to any company of which a member of the Board of Management may be a member or shareholder holding less than one- hundredth part of its issued capital and such member shall not be bound to account for any share profits he may receive in respect of such payment.</p>	<p><del>Association, or to any member of the Association, in return for any services actually rendered to the Association, nor prevent the payment of interest at a rate not exceeding current bank rate on money lent, or reasonable and proper rent for premises demised or let by any member of the Association; but so that no member of the Board of Management of the Association paid by fees, and that no remuneration or other benefit in money or money' worth shall be given by the Association to any member of such Board of Management except payment of remuneration for commercial or professional services rendered by any company or firm of which such member shall be a shareholder, director or partner or repayment of out of pocket expenses and interest at the rate aforesaid on money lent, or reasonable and proper rent for premises demised or let to the Association.</del></p> <p><del>Provided that nothing hereinbefore contained shall prevent any payment to any company of which a member of the Board of Management may be a member or shareholder holding less than one-hundredth part of its issued capital and such member shall not be bound to account for any share profits he may receive in respect of such payment.</del></p>
3.	6 <b>Alignment with the Companies Act, 2015</b>	<p>The fourth and fifth paragraphs of this Memorandum contains conditions on which a license is granted by the Minister of the Government of Kenya for the time being responsible for legal affairs to the Association pursuant to Section 21 of the Companies Act (Cap 486).</p>	<p>Delete the Article in totality because there is no provision in the Companies Act, 2015 for a certificate by the Minister.</p>

<b>ARTICLES OF ASSOCIATION</b>			
<b>NO.</b>	<b>ARTICLE</b>	<b>CURRENT ARTICLE</b>	<b>PROPOSED AMENDMENTS</b>
4.	1 <b>Alignment with the Companies Act, 2015</b>	The regulations contained in Table “C” in the first schedule to the Companies Act (Cap. 486), shall not apply to the Association	This Article to be deleted.
5.	2 <b>Security of Assets</b>	No Article	Additional of Article 2 (c) (ii): <i>“The Trustees” shall mean The Board of Trustees established under Article 38 (f).</i>
6.	10 (1) <b>Inflation and Cost Benefits Alignment</b>	An entry fee shall be paid by each new applicant for the class of membership applied for according to the then applicable regulations made by the Board of Management pursuant to article 7C for that class of membership and any categories thereof. Such entry shall be paid on application for membership being submitted to the Board of Management and shall be repaid if the application is not approved or if the application is withdrawn before it is approved by the Board of Management.	Not an amendment but a proposal to the members: <i>An entry fee of 20,000/- is proposed, and an annual subscription of Kshs. 5,000/- for members above 60 years and Kshs. 7,000/- for members below 60 years.</i>
7.	10 (2) (a) <b>Inflation and Cost Benefits Alignment</b>	The annual subscriptions payable by each class of members and any categories of a class of membership of the Association shall be such as the Board of Management shall, from time to time prescribe.	Not an amendment but a proposal to the members: <i>The annual subscriptions payable by each class of members and any categories of a class of membership of the Association shall be as prescribed in 10 (1) for individual members, Kshs. 100,000.00 for Corporate members registering 20 members and below, Kshs. 150,000.00 for Corporate members registering between 21 to 40 members, Kshs.</i>

			250,000.00 for Corporate members registering 41 to 100 members, and Kshs. 500,000.00 for Corporate members registering over 100 members, provided that the Board of Management shall reserve the right in its discretion to vary the annual subscriptions for Corporate members registering over 100 members.
8.	10 (2) (b) <b>Compliance</b>	The first annual subscription of a member shall be due and payable upon application being made for membership and thereafter the annual subscription shall be due on each anniversary of the date on which a member's application is accepted until he ceases to be a member.	The first annual subscription of a member shall be due and payable upon application being made for membership and thereafter the annual subscription shall be due on the 1 <sup>st</sup> of January each year.
9.	10 (3) <b>Loyalty</b>	No Article	Persons employed by the Hospital and their spouses are eligible to be admitted as members of the Association upon fulfilling the requirements for registration and approval but they shall have no voting rights.
10.	17 <b>Alignment with the Companies Act, 2015</b>	A General meeting of the Association shall be held at least in every calendar year at such time, not being more than fifteen months after the holding of the last preceding General Meeting, and at such place as may be determined by the Board of Management. Such General Meetings shall be called "ordinary meetings" and all other meetings shall be called "extraordinary meetings." Notice of intended date of the forthcoming Ordinary Meeting must be circulated in the Newsletter of the Association and posted on the Hospital Notice Board not later than the 31 <sup>st</sup> day of March each calendar year.	Addition of the words in italics: <i>General meeting of the Association shall be held at least once in every calendar year at such time, not being more than fifteen months after the holding of the last preceding General Meeting, and at such place as may be determined by the Board of Management. Such General Meetings shall be called "ordinary meetings" and all other meetings shall be called "extraordinary meetings." Notice of intended date of the forthcoming Ordinary Meeting must be circulated twenty-</i>

			<i>one days prior to the Meeting to the last known address of each member.</i>
11.	18 <b>Alignment with the Companies Act, 2015</b>	The Board of Management may, whenever they think fit, convene an extraordinary meeting, and they shall, on the requisition of the members of the Association representing not less than one - tenth of the total voting rights of all members having at the date of the requisition a right to vote at general meetings of the Association and, in the case of such requisition, the provisions of sections 132 of the Act shall apply.	Replaced with Section 278 (1) of the Companies Act, 2015 which state as follows : <i>If requested to convene a general meeting of the Company, the directors shall do so within twenty-one days from the date on which request was made; and hold the meeting on a date not more than twenty eight days after the date of the notice convening the meeting.</i>
12.	21 <b>Alignment of Notices</b>	Notice of any special business must be given in the form of a resolution to the Secretary of the Association not less than <b>forty-five days</b> before the date of the Ordinary Meeting at which is to be raised.	Amend (forty-five) 45 days to fourteen (14) days.
13.	22 <b>Quorum</b>	No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as otherwise provided <b>twenty (20)</b> personally present shall be a quorum.	Revise the Quorum at General Meetings from twenty (20) members to fifty (50) members.
14.	29 <b>Guarding Against Conflict of Interest</b>	The ruling of the Chairman of the Meeting as to whether any resolution or amendment proposed is in order or not, or as to whether any vote tendered shall be accepted and counted, shall be conclusive. The Absolute discretion hereby vested in the Chairman of the Meeting shall extend to the inclusion of business not referred to in the agenda of the Meeting concerned.	Delete the words: <i>The Absolute discretion hereby vested in the Chairman of the Meeting shall extend to the inclusion of business not referred to in the agenda of the Meeting concerned.</i>
15.	30 (a) <b>Aligning with Current Trends</b>	Every member shall have one vote and no more. Votes on a show of hands shall not be given otherwise than personally.	Every member shall have one vote and no more. A poll shall either be by way of secret ballot or electronic.
16.	38 (a) (ii)	Of the nine (9) elected members of the Board not more than two shall be members of the Admitting Staff Association.	Proposed to increase the number of admitting staff to not more than 3.

	<b>Reinstitute the Key Role of MAC and ASA</b>		
17.	<b>38 (a) (iii) Reinstitute the Key Role of MAC and ASA</b>	In the event that more than two (2) members of Admitting staff Association receive more votes than other candidates standing for election, the two (2) members of the admitting Staff Association with most votes shall take the two (2) available places for members of the Admitting Staff Association on the Board of Management and any other members of the Admitting Staff Association who have received more votes than other candidates standing for election shall not be entitled to take any of the remaining places on the Board of Management.	<b>In the event that more than three (3) members of Admitting staff Association receive more votes than other candidates standing for election, the three(3) members of the admitting Staff Association with most votes shall take the Three (3) available places for members of the Admitting Staff Association on the Board of Management and any other members of the Admitting Staff Association who have received more votes than other candidates standing for election shall not be entitled to take any of the remaining places on the Board of Management.</b>
18.	<b>38 (c)(i) Governance</b>	The Board may at any time fill a casual vacancy with a person who is a member of the Association to replace any member of the Board who dies or is removed in accordance with articles 45 or retires while in office and such member filling this casual vacancy shall cease to be a member of the Board at the next AGM following his co-option (unless he shall then be elected in the normal way).	Delete the words: <i>may at any time</i> and add the words <i>shall within sixty (60) days of a position becoming vacant,</i>
19.	<b>38 (c) (ii) Governance</b>	At the first meeting of the Board of Management following the General Meeting at which the results of the election of members of the Board of Management are declared, the members of the Board of Management shall have the right to co-opt up to three (3) further members to the Board of Management who shall be known as co-opted members. Co-opted members of the Board need not to be members of the Association, but shall become members of the Association within sixty (60) days of the date of being co-opted onto	Delete the word <b>right</b> and replace with <b>discretion</b>

		the Board of Management. Co-opted members will remain in office until the conclusion of the Annual General Meeting next following their co-option but shall be eligible for re-co-option to the Board of Management. No person shall be co-opted in the above manner to serve on the Board of Management. No person shall be co-opted in the above manner to serve on the Board of Management during the year immediately following any general meeting at which he has unsuccessfully stood for election to the Board of Management.	
20.	38 (f) <b>Security of Assets</b>	No Article	Add: There shall be a Board of Trustees established by the Board of Management which shall hold and protect all assets belonging to the Kenya Hospital Association. The Board of Trustees shall be governed by the Kenya Hospital Association Trust Deed which shall be approved and registered by the Board of Management.
21.	41 <b>Governance</b>	Subject to the provisions of Articles 63 and the proviso to clause 4 of the Memorandum of Association, members of the Board of Management shall not be entitled to receive any remuneration	Amend to read: <i>Subject to the provisions of Articles 63, members of the Board of Management and the Medical Advisory Committee shall be entitled to receive a fair remuneration as proposed by the Hospital's Administration and approved by members in the General Meeting.</i>
22.	47 (a) <b>Governance and Conflict of Interest</b>	Subject to the proviso hereto, no member may be elected to be a member of the Board of Management for more than three (3) consecutive terms of office following the adoption of these amended Articles of Association provided that a member who has served three (3) consecutive terms of office on the Board of Management may be re-elected to the Board of Management after one (1) year of absence from the Board of Management. In that event he shall not	Reduce three terms to two terms.  Increase the years of absence to five years.



		be elected to be a member of the Board of Management more than three (3) times after the aforesaid one year of absence.	
23.	47 (b) <b>Alignment of Notices</b>	Any member of the Association desirous of being elected a Member of the Board of Management shall be proposed and seconded in writing on a form, (A proposal form) approved by the Board of Management (and to be made available by the Secretary of the Association on request) signed by two members of the Association duly qualified to be present and to vote at the General Meeting at which the election of members of the Board of Management ought to take place and the proposed candidate shall not less than <b>twenty one days</b> before the date of such General Meeting deliver the duly signed proposal Form attaching his or her personal details, professional qualifications if any, and worked experience together with a notice in writing to the secretary informing the secretary of the fact that he has been proposed as candidate and that he is willing to stand for election.	Amend the period required to receive the proposal form from 21 days before the date of a General Meeting to within 7 days after the notice of the General Meeting has been issued.
24.	51 <b>Alignment with the Companies Act/Clarity</b>	The first business of the elected members of the Board of Management shall be the election of a Chairman and a Vice Chairman of the Board of Management, where a Chairman and a Vice Chairman need to be elected following the expiry of the term of office of the previous Chairman and Vice Chairman.	Delete the words : <i>where a Chairman and a Vice Chairman need to be elected following the expiry of the term of office of the previous Chairman and Vice Chairman.</i>
25.	63 (a) <b>Conflict of Interest</b>	No member of the Board of Management and no company or firm of which he is a director a shareholder or a partner shall be disqualified from contracting with the Association, nor shall any such contract or any contract entered into by or on behalf of Association be avoided, nor shall any member of the Board of Management so contracting or being so interested be liable to account to the Association for any profit realized by any such contract by reason of such member holding that office or of the fiduciary relations thereby established, but the nature of his direct or indirect interest must be disclosed by him at the meeting of the	Amend the Article to read: <b>No member of the Board of Management, company or firm of which he is a director, a shareholder, a partner, shall be qualified to contract with the Association, and any such contract or any contract entered into by or on behalf of the Association shall be avoided.</b>



		Board of Management at which such contract is determined on if his interest then exists, or in any other case, at the first meeting of the Board of Management after the acquisition of his interest. No member of the Board of Management shall vote in respect of any contract or arrangement in which he directly or indirectly interested as aforesaid, and if he does so vote his vote shall not be counted but this prohibition may at any time or times be suspended or relaxed to any extent by a General Meeting.	
26.	63 (b)	No Article	Add: No member of the Board shall vote in respect of any contract or arrangement which he is directly or indirectly associated with and his interest must be disclosed and declared by him at the meeting of the Board of Management at which that contract or arrangement is determined if his interests so exists.