

Company number: 09295557

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

**MEMORANDUM AND ARTICLES OF ASSOCIATION
FOR THE
MEDCO REGISTRATION SOLUTIONS**

Incorporated 4th November 2014

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COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION FOR THE MEDCO REGISTRATION SOLUTIONS

(Adopted by special resolution passed on 1st July 2017 201)

Interpretation

1.1 In these Articles (except where the context otherwise requires) the following words shall have the following meanings:

Accredited Supplier	a Medical Practitioner or MRO who in the case of a Medical Practitioner has been accredited as having the appropriated qualifications and in the case of an MRO meets the necessary qualifying criteria pursuant to the Rules to supply Reports;
AMRO	the Association of Medical Reporting Organisations;
Board	the board of directors of MEDCO;
Chairman	the Chairman of the Board of directors and as appointed by the Board in accordance with Article 55;
Claimant	a party who initiates or intends to initiate legal proceedings for damages in respect of a soft tissue injury;
Claimant Solicitor Members Group	the Association of Personal Injury Lawyers, the Motor Accident Solicitors Society the Law Society of England and Wales and any other person or body who may become part of that group pursuant to Article 13;
clear days	that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
Data	means such information as MEDCO prescribes from time to time under the Rules that it wishes to extract from Reports for the purposes of analysing diagnosis rates, prognosis duration, duration of

	examination and any other relevant data for measuring against statistical and clinical norms;
Electronic communications	has the same meaning as in the Electronic Communications Act 2000;
Founding Member	each Member who is designated as a Founding Member from time to time in accordance with these Articles, initially being at the time of adoption of these Articles those Members listed in Article 15 (together, the " Founding Members ");
General Meeting	general meeting of MEDCO;
independent	any person who is not an employee, partner, associate, agent, representative, trustee, director or affiliate of either any Member or any member or shareholder of such Member;
Insurer Members Group	the Association of British Insurers, the Forum Of Insurance Lawyers, the Motor Insurers Bureau and any other person or body who may become part of that group pursuant to Article 13;
Manager	has the meaning given to in Article 68;
MEDCO	Medco Registration Solutions company number 09295557;
Medical Practitioner	a medical practitioner, physiotherapist, or other medical professional with qualifications MEDCO deems suitable for qualifying as an Accredited Supplier;
Medical Practitioners Members Group	AMRO, The British Medical Association, the Chartered Society of Physiotherapy and any other person or body who may become part of that group pursuant to Article 13;
Member	an Ordinary Member or Founding Member;
Member Group	any of the Claimants Solicitors Members Group, the Insurers, Members Group or the Medical Practitioners Members Group;
Month	a calendar month;

MRO	Medical Reporting Organisation who procures the services of a Medical Practitioner for a Claimant;
Non Executive Directors	directors who are not for the time being appointed to an executive office or employment under MEDCO;
Register	the register of Members of MEDCO;
Office	the registered office of MEDCO;
Ordinary Member	any member of Medco who is not a Founding Member;
Reports	a fixed cost medical report in respect of a soft tissue injury claim within the meaning of the Pre-Action Protocol for Low Value Personal Injury Claims in Road Traffic Accidents;
Rules	the rules determined by the Board from time to time for the procedures, criteria and form as necessary for determining accreditation or re-accreditation of Medical Practitioners or MRO's as Accredited Suppliers and for the use of Data;
Secretary of State	the Secretary of State for Justice;
Trade Union	an organisation of workers whose principal purposes include the regulation of relations between workers and their employers and to facilitate the collective bargaining between workers and their employers;
User	any solicitors, authorised legal service, body or other representative of a Claimant; and
Year	12 Months ended 31 December.

1.2 References to the singular number only shall include the plural number and vice versa; references to one gender only shall include all genders; and references to persons shall include corporations, companies, chartered societies and other forms of corporate vehicle.

1.3 Headings are inserted for convenience only and shall not affect the construction of these Articles.

- 1.4** References to being 'written' or 'in writing' refer to any method of representing or reproducing words in a visible form provided that such method is legible and (if not itself in paper form) capable of being reproduced in paper form.
- 1.5** A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in sections 1159(l)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee) or by way of security or in connection with the taking of security, or (b) its nominee.
- 1.6** A reference to a particular statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of any amendment or re- enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts and subordinate legislation for the time being in force made under it.
- 1.7** Unless the context otherwise requires words or expressions defined in the Act shall bear the same meaning in these Articles.
- 1.8** The Companies (Model Articles) Regulations 2008 shall not apply to these Articles.

OBJECTS

- 2.** The objects for which MEDCO is established shall be limited to the following:
 - 2.1** To provide an independent assessment of individuals or bodies corporate who wish to be Accredited Suppliers, by acting as an assessor and accreditation agency for those applying to become Accredited Suppliers, in assessing the suitability of individuals or bodies corporate to become Accredited Suppliers and, where MEDCO thinks fit, grant accreditation to an individual or body corporate to become an Accredited Supplier by assessing, reviewing, monitoring and auditing prospective Accredited Suppliers pursuant to the Rules.
 - 2.2** To provide an independent assessment of those applying to become reaccredited as Accredited Suppliers and where MEDCO thinks fit grant reaccreditation to Accredited Suppliers by reviewing, monitoring and auditing Accredited Suppliers pursuant to the Rules.
 - 2.3** To maintain an electronic system capable of generating details of Accredited Suppliers as the only Accredited Suppliers who may be instructed in connection with a particular low value soft tissue injury motor accident claim, in response to a User's request.
 - 2.4** To develop, operate and manage systems and processes capable of recording and capturing on a database such details of Accredited Suppliers and reports from Accredited Suppliers as the Board may determine necessary from time to time and ultimately which are likely to contribute or assist with the delivery of independent

medical reports in support of soft tissue injuries through the process of accreditation.

- 2.5** To:
- 2.5.1** To suspend or withdraw accreditation from Accredited Suppliers pursuant to the Rules;
 - 2.5.2** maintain of a system of declarations through accreditation and User licences to identify links between Accredited Suppliers and Users; and
 - 2.5.3** preclude a User's request generating a list of Accredited Suppliers that includes an Accredited Supplier to whom the Users is linked, with those Users and Accredited Suppliers found to have made dishonest declarations to face sanctions as MEDCO deems appropriate and which may include the withdrawal of accreditation or Users licences.
- 2.6** To carry out other functions and objects that are analogous or similar to the functions and objects set out in these Articles with regard to accreditation services and/or systems for supplying lists of suppliers in respect of other independent experts or professionals.
- 2.7** To enter into any agreements or arrangements with any governments or authorities, municipal, local or otherwise, or any corporations or persons (including the Members of MEDCO) that may seem conducive to MEDCO's objects, and to obtain from any such government, authority, corporation or person any rights, privileges and concessions which MEDCO may think it desirable to obtain, and to carry out, exercise and comply with any such agreements, arrangements, rights, privileges and concessions.
- 2.8** To levy or charge licence fees for use of any system or database to select an Accredited Supplier to provide a report.
- 2.9** To acquire by assignment, novation or licence any judgements or choses in action or any rights or privileges which MEDCO may think necessary or convenient for the promotion of its objects, and to enforce the same.
- 2.10** To act as arbitrators or mediators or to nominate arbitrators or mediators for the settlement of disputes.
- 2.11** To pay, satisfy or compromise any claims made against MEDCO (whether or not enforceable) which it may seem expedient to pay, satisfy or compromise.
- 2.12** To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property.
- 2.13** To undertake and execute any trusts and to act as the agents of any other person.
- 2.14** To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of MEDCO as may be thought expedient with a view to the promotion of its objects.

- 2.15** To borrow and raise money and secure any debt or obligation of or binding on MEDCO in such manner as may be thought fit, and in particular by mortgages or charges upon the undertaking and all or any of the real and personal property and assets (present or future) for the time being of MEDCO, and whether with or without MEDCO receiving any consideration to guarantee or secure (with or without a mortgage or charge on all or any part of the undertaking and assets, present and future for the time being of MEDCO) the performance of the obligations of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary of MEDCO or the holding company or another subsidiary of MEDCO's holding company or otherwise associated with MEDCO in business and (without prejudice to the generality of the foregoing) to procure bankers or others to guarantee all or any of the obligations of MEDCO.
- 2.16** To invest the moneys of MEDCO not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.
- 2.17** To do any of its objects by itself or through subsidiary, associated or related companies or through any agent or nominee.
- 2.18** To establish and support or aid in the establishment and support of any charitable or benevolent associations or institutions and to subscribe or guarantee money for charitable or benevolent purposes in any way connected with the purposes of MEDCO or calculated to further its objects.
- 2.19** To develop added value services, including but not limited to, charging for the facilitating of authorised access to data maintained by MEDCO and the provision of training services to any person, company or government body or authority to defray any costs, losses or expenses of MEDCO in connection with the operation of MEDCO.
- 2.20** To extend any of its objects to any country or territory.
- 2.21** To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.
- 3.** MEDCO shall not support with its funds any object, or endeavour to impose on or procure to be observed by its Members or others, any restrictions or conditions which if an object of MEDCO would make it a Trade Union.
- 4.** The objects of MEDCO as specified in Article 2 (except only if and so far as otherwise expressly provided in any paragraphs) shall be separate and distinct objects of MEDCO and shall not in any way be limited by reference to any other paragraph or the name MEDCO.

INCOME AND PROPERTY

5.

- 5.1** The income and property of MEDCO shall be applied solely towards the promotion of the objects as set out in these Articles, and no portion shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to the Members.
- 5.2** Nothing in this Article 5 shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant of MEDCO, or to any Member in return for any services actually rendered to MEDCO, nor prevent the payment of interest at a rate agreed by the Board on money lent or reasonable and proper rent for premises demised or let by any Member to MEDCO. However, only independent Members of the Board may be appointed to a salaried office of MEDCO or to an office of MEDCO paid by fees, and no other remuneration or other benefit or money's worth shall be given by MEDCO to any member of the Board except interest as agreed by the Board on money lent or reasonable and proper rent for premises demised or let to MEDCO or repayment of out-of-pocket expenses.

LIMITATION OF LIABILITY

- 6.** The liability of the Members is limited.
- 7.** Every Member undertakes to contribute to the assets of MEDCO, in the event of MEDCO being wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the debts and liabilities of MEDCO contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding £5.00.

DISSOLUTION

- 8.** If upon the winding up or dissolution of MEDCO there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of MEDCO, but shall be given or transferred to some other institution or institutions having objects similar to the objects of MEDCO, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on MEDCO under or by virtue of Article 5, such institution or Institutions to be determined by the Members of MEDCO at or before the time of dissolution.

MEMBERS

- 9.** Subject to Articles 43 and 45, each Founding Member must nominate one person to be a member of the Board who is willing to act as a director of MEDCO and shall have the right from time to time to remove any member of the Board appointed by them.

10. A Founding Member shall be considered to have failed to comply with his obligation in Article 9 if:
 - 10.1 he does not, within 3 months of (a) his designation as a Founding Member on any date after the date of adoption of these Articles, or (b) his previous Nominee vacating his office as a member of the Board, deliver a Nominee Notice pursuant to Article 43.1; or
 - 10.2 he has not, within 6 months of (a) his designation as a Founding Member on any date after the date of adoption of these Articles, or (b) his previous Nominee vacating his office as a member of the Board, successfully had a Nominee approved in accordance with Article 45.
11. Subject to Article 12, if a Founding Member fails to comply with his obligations pursuant to Article 9 (a "**Defaulting Member**"), the Board may (at their complete discretion) by written notice either:
 - 11.1 terminate his membership of the Company; or
 - 11.2 redesignate him as an ordinary Member of MEDCO,in each case, such written notice being a "**Default Notice**".
12. Any redesignation or termination as a result of a failure to comply with Article 10 set out in a Default Notice issued pursuant to Article 11 will not become effective if:
 - 12.1 within 10 working days of the date of the Default Notice, the relevant Defaulting Member delivers a Nominee Notice to the Company; and
 - 12.2 where the Defaulting Member has failed to comply with Article 10.2, their Nominee is approved within the 28 clear day period set out in Article 45.
13. The number of Members of MEDCO shall be unlimited provided the consent of all the members of the Board is received in writing for any person to become a Member on a date later than the date of adoption of these Articles, stipulating in such consent whether such person is to be:
 - 13.1.1 a Founding Member or an Ordinary Member; and/or
 - 13.1.2 part of any Member Group.
14. With the consent of all the members of the Board in writing, any Ordinary Member may become a Founding Member.
15. Subject to these Articles, the following persons shall be Members upon the date of adoption of these Articles, each having agreed to have their names entered in the Register:
 - 15.1 The Association of Personal Injury Lawyers;
 - 15.2 The Association of British Insurers;

- 15.3** The Association of Medical Reporting Organisations;
 - 15.4** The British Medical Association;
 - 15.5** The Forum Of Insurance Lawyers;
 - 15.6** The Motor Accident Solicitors Society;
 - 15.7** Motor Insurers' Bureau;
 - 15.8** The Law Society; and
 - 15.9** The Chartered Society of Physiotherapy.
- 16.** There shall be only two classes of Member: Founding Member and Ordinary Member.
- 17.** The rights and obligations of a Member shall not be transferable.
- 18.** Every Member shall:
- 18.1** Use his respective reasonable endeavours to further the objects and interests of MEDCO provided that this shall not require any Member to do or refrain from doing anything that may conflict with the interests of that Member;
 - 18.2** observe all the Rules and any other regulations of MEDCO and the terms of any policy document issued or adopted by MEDCO, provided that the Rules and/or such regulations and/or such terms will not require the Member to incur any liability or cost that is not expressly set out or provided for in these Articles and also observe the terms of any agreement which may be entered into between it and MEDCO; and
 - 18.3** procure that subject to their statutory and fiduciary duties, any member of the Board nominated by it will support and implement all reasonable proposals put forward and approved by the Board and other meetings of MEDCO for the proper development and conduct of the business of MEDCO.
- 19.** A Member shall forthwith cease to be a Member if:
- 19.1** the Member has submitted written notice to the Board requesting that its membership be terminated; or
 - 19.2** a winding up, provisional liquidation or administration order is made against the Member or the Member becomes bankrupt or insolvent or a receiving order is made against the Member or that Member makes any arrangement or composition with its creditors and the Board determines by notice in writing to the Member that such an event requires the cessation of that Member's membership in MEDCO; or
 - 19.3** subject to Article 12, the Board resolves to terminate a Founding Member's membership in accordance with Article 11.1.
- 20.** Where any Member ceases to be a Member it shall remain fully liable in respect of all obligations incurred by it by virtue of its membership of MEDCO before its cessation and,

for the avoidance of doubt, where an incident arises prior to cessation of membership and that incident would give rise to an obligation on that Member by virtue of its membership then that Member shall remain fully liable in respect of that obligation notwithstanding its being unaware of such incident or obligation prior to the cessation of its membership.

21. Subject to the provisions of the Articles, no Member shall be disqualified by his membership from contracting with MEDCO.

GENERAL MEETINGS

22. The Board may whenever it thinks fit convene a General Meeting and in accordance with the notice requirements provided in Articles 25, 26 and 27.
23. The Members may call a General Meeting in accordance with the provisions of the Act.
24. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
25. General Meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety (90) per cent of the total voting rights at meetings of the Members.
26. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and shall be given to all the Members and to all of the members of the Board and the Auditors.
27. Subject to the provisions of the Act, a resolution in writing signed by the required percentage (as set out in the Act with reference to the subject matter of such resolution in writing) of the Members for the time being entitled to attend and vote at General Meetings shall be as valid and effective as if the same had been passed at a General Meeting of MEDCO duly convened and held.

BUSINESS AT GENERAL MEETINGS

28. The Chairman of the Board or in his absence some other person as the Board may appoint shall preside as Chairman at every General Meeting.
29. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, six persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum.
30. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or at such other time and place as the Chairman shall appoint,

and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the Members present shall be a quorum.

- 31.** The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. If a meeting is adjourned for 20 days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the Members shall not be entitled to any notice of any adjournment or of the business to be transacted at an adjourned meeting.
- 32.** At all General Meetings a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or upon the declaration of the result of, the show of hands a poll is demanded in writing by the Chairman or by at least three persons having the right to vote at the meeting, and unless a poll is so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of MEDCO shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- 33.** If a poll is demanded as provided above, it shall be taken at such time and place, and in such manner, as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 34.** No poll shall be demanded on the election of a Chairman of a meeting or on any question of adjournment.
- 35.** The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

- 36.** Every Member who (being an Individual) is present in person or (being a corporation) is present by a duly authorised representative at a General Meeting shall have one vote on a show of hands. A Member, although duly authorised to represent another Member, shall only be entitled to one vote on a show of hands, but shall be entitled to vote both in his personal and representative capacity on a poll.
- 37.** On a poll every Member present in person or by his duly authorised representative at a General Meeting shall have one vote in their own capacity as a member or a duly authorised representative of a member and one vote for each proxy held.
- 38.** Proxy Votes

 - 38.1** Any Member entitled to attend and vote may appoint another person (whether a Member or not) as his proxy to attend and vote instead of him. A proxy appointed

to attend and vote instead of a Member has the same right as the Member to speak at the meeting.

38.2 A Member is not entitled to appoint more than one proxy to attend on the same occasion and a proxy is not entitled to vote except on a poll.

38.3 In the case of an instrument in writing, the instrument appointing a proxy, or any other document necessary to show the validity of, or otherwise relating to, the appointment of a proxy must be received by MEDCO at its registered office no less than 48 hours before a meeting or adjourned meeting in order that the appointment may be effective.

38.4 In the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:

38.4.1 in the notice convening the meeting; or

38.4.2 in any instrument of proxy sent out by MEDCO in relation to the meeting;
or

38.4.3 in any invitation contained in an electronic communication to appoint a proxy issued by MEDCO in relation to the meeting,

such appointment must be received at such address not less than 48 hours before the time for the holding of the meeting or adjourned meeting at which the person named in the appointment proposes to vote.

38.5 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 MEDCO at the office or such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received 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.

39. The passing of any of the following kinds of resolution by MEDCO in general meetings or in writing require the consent of 75% of the Members of each of the Member Groups:

39.1 any resolution the effect of which, if duly passed, would be to alter or replace the MEDCO memorandum of association or to alter any of the provisions of, or to replace, these Articles;

39.2 any resolution to wind up MEDCO voluntarily or pursuant to section 122(1)(a) of the Insolvency Act 1986 (circumstances in which a company may be wound up by the Court);

- 39.3** any resolution to amend any such resolution as is described in any of the Articles 39.1 or 39.2.

THE BOARD

- 40.** There shall be a maximum of 10 members of the Board who shall be nominated by the Members pursuant to Articles 41 to 45, and the Board pursuant to Article 55.

- 41.** If a Member ceases to be a Founding Member pursuant to either Article 11 or Article 19 then subject to the consent in writing of 75% of the members of the Board, an Ordinary Member or non-member (in each case, a **Third Party**) may be invited to nominate one person to member of the Board who is willing to act as a director of MEDCO, conditional on:

41.1.1 such person being approved in accordance with the process set out in Articles 43 and 45; and

41.1.2 that Third Party becoming a Founding Member in accordance with these Articles,

and that Third Party shall subject to Article 43 and 45, have the right from time to time to remove such director.

- 42.** A director appointed under these Articles shall in accordance with Article 57 cease to be a director if the Member who appointed the director ceases to be a Member and in which case Article 49 shall not apply.

- 43.** Where a Founding Member (or Third Party) wishes to appoint a person to the Board (each such person a "**Nominee**") pursuant to these Articles:

- 43.1** he must provide a notice to the Company Secretary (a "**Nominee Notice**") setting out:

43.1.1 the full name of the Nominee;

43.1.2 a short CV of the Nominee setting out his qualifications for the position; and

43.1.3 confirmation that the Nominee is willing and has consented to act as a director of MEDCO.

- 43.2** If a member of the Board is at the time of the Nominee Notice an appointee of the nominating Founding Member, the Nominee Notice must, to be valid, also include a request that that such current member of the Board be removed (contingent on the appointment of the Nominee).

- 43.3** For 14 clear days from the date of the Nominee Notice, any other Founding Member may (acting reasonably) request from the nominating Founding Member or the Third Party further information on the Nominee. The nominating Founding

Member or Third Party must provide any information reasonably requested within 7 clear days of the date of such a request.

- 44.** The Company Secretary must, no later than the working day following receipt of the Nominee Notice, provide a copy to each member of the Board and request that members of the Board (other than the member of the Board who is appointed by the same Member as the Nominee) respond in writing to the Company Secretary either (i) approving; or (ii) objecting to the Nominee Director.
- 45.** Subject to Article 46, a Nominee to the Board will be:
- 45.1** approved once approval notices pursuant to Article 44 have been received by the Company Secretary from no fewer than five (5) current members of the Board; or
- 45.2** deemed to be not approved on the earlier of (i) the date on which the Company Secretary receives such number of objections which results in it becoming mathematically impossible for the Nominee to receive five (5) approvals from members of the Board; and (ii) 28 clear days from the date of the Nominee Notice having expired without approval pursuant to Article 45.1.

For the avoidance of doubt, an approval or objection from the member of the Board appointed by the Member who has proposed the Nominee shall not be counted for the purposes of this clause 45.

- 46.** Where a Third Party is invited to nominate a person to be a member of the Board pursuant to Article 41, the approval of that Third Party's Nominee will be conditional on the appointment of that Third Party as a Founding Member being completed in accordance with the terms of these Articles.
- 47.** If a Nominee proposed by the Member is not approved by the Board in accordance with Article 45, another candidate may be proposed by the Member until such time as a Nominee is appointed.
- 48.** All of the members of the Board will be Non-Executive Directors provided the majority of the Members are satisfied the combined knowledge and experience of all the members of the Board would be relevant to MEDCO's conduct of its business activities but nothing in this Article 43 shall affect a Founding Member's ability to appoint any director.
- 49.** Any removal of a member of the Board as a director by a Founding Member under Article 40 shall be effective by written notice to Medco executed by a duly authorised person on behalf of the Founding Member.
- 50.** Subject to the provisions of Article 57, if any director appointed ceases to be a director, the Founding Member who appointed the director shall be entitled to appoint another director in his place in accordance with these Articles.
- 51.** Period of Service
- 51.1** Subject to the following paragraphs of this Article 51, each member of the Board shall serve for a maximum period of 3 years from the date of the appointment to

the Board. At the end of this period that member of the Board shall immediately resign but shall be eligible for re-appointment for a second period of up to 3 years (and so that such member of the Board may be re-appointed to the Board once only);

51.2 The provisions of Article 51.1 shall not apply to the Chairman from the date of his appointment as such. The Chairman shall serve on the board for the period of his office determined pursuant to Article 51. At the end of that period he shall immediately resign.

52. The Secretary of State shall have the right to appoint a representative to receive notice of and attend as an observer at each and every meeting of the Board and each and every meeting of any committee of the Board and that observer shall be entitled to speak at any such meeting but not vote.

POWERS OF THE BOARD

53. Subject to the provisions of the Act, these Articles and to such directions as may be prescribed by the Members in General Meeting or resolution in writing of the Members, the business of MEDCO shall be managed by the Board or as delegated by the Board to the Manager, who may pay all such expenses of, and preliminary and incidental to, the promotion of MEDCO as they think fit, and may exercise all such powers of MEDCO and perform on behalf of MEDCO all such acts as may be required and necessary including without limitation the power to appoint and at the Board's discretion:

53.1 to determine the powers and duties and fix any salaries or emoluments of any manager, employee and agents; and

53.2 to require security in such instances and to such amount as they think fit for any manager, employee and agents.

54. No direction given by the Members in General Meeting or resolution in writing of the Members shall invalidate any prior act of the Board which would have been valid if such direction had not been given.

CHAIRMAN

55. The Board shall from time to time appoint an independent person who shall act as Chairman and sit on the Board on such terms and conditions as the Board may approve. The Chairman shall have the right to attend, speak and vote at Board Meetings.

56. Subject to these Articles, the Board shall have the power to determine, qualify and change in any way the power, responsibility and authority of the Chairman. The Chairman shall implement the decisions of the Board without any condition.

DISQUALIFICATION OF MEMBERS OF THE BOARD

57. The office of a Director of the Board shall be vacated:

- 57.1** if a winding up, provisional liquidation or administration order is made against the Member he represents or if he or the Member he represents becomes bankrupt or insolvent or if a receiving order is made against him or the Member he represents or if he or the Member he represents makes any arrangement or composition with his or its creditors;
- 57.2** if by notice in writing to MEDCO he resigns his office;
- 57.3** if the Member by whom he was appointed ceases to be a Member;
- 57.4** if, being an employee or officer of his appointing Member at the time of his appointment or becoming such an employee or officer thereafter, he ceases to be in the employment of the Member he represents or he resigns from office from the Member he represents, save where the relevant Member notifies the Company, in writing prior to such cessation, that his appointment should nevertheless continue;
- 57.5** if he ceases to hold office by virtue of any provision of these Articles or the Act or he becomes prohibited by law from being a member of the Board;
- 57.6** if he is, or may be, suffering from a mental disorder and either:
 - 57.6.1** he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
 - 57.6.2** an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- 57.7** if he is convicted of a criminal offence (other than a minor motor offence) and the Board resolves that his office should be vacated;
- 57.8** if he breaches the provisions of Article 62 and the Board resolves that his office should be vacated;
- 57.9** if he shall for more than 3 consecutive meetings of the Board have been absent without permission of the Board and the Board resolves that his office be vacated; or
- 57.10** if the Board by a seventy five per cent majority (75%) at any time resolves that in its opinion the continuance of the office of a particular director of the Board will be prejudicial to the interests of MEDCO.

PROCEEDINGS OF THE BOARD

- 58.** The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless otherwise determined, six members of

the Board shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes.

59. Two members of the Board may, and on the request of two members the Chairman shall, at any time summon a meeting of the Board by notice in writing served upon the several members of the Board. A member of the Board who is absent abroad shall be entitled to notice of a meeting at his business address as notified to MEDCO in writing.
60. If there is no Chairman or such Chairman is not present within fifteen minutes after the time appointed for holding the same and willing to preside, the members of the Board present shall choose one of their number to be Chairman of the meeting.
61. A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions of MEDCO for the time being vested in the Board generally. Any director may participate in a meeting of the Board by means of telephone or other means of communication whereby all persons participating in the meeting can speak to each other and hear each other speak. Participation in a meeting in this manner shall constitute presence in person at such meeting and be counted in the quorum accordingly.
62. A member of the Board who, in relation to any matter in which he, or any member company that he represents, has, directly or indirectly, an interest or duty which conflicts (or may conflict) with the interests of MEDCO, has a duty to declare the nature of his interest at that meeting of the Board, and additionally such member of the Board may not vote at that meeting of the Board, nor form part of the quorum present at that meeting.
63. The Board may delegate any of its powers to committees consisting of such member or members of the Board and/or of MEDCO's executive staff as it thinks fit, and any committee so formed shall, in the execution of the powers so delegated, conform to any regulations imposed on it by the Board. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board. Such committee or committees shall have the power to co-opt any person to act in an advisory but non-voting capacity. In accordance with the provisions of this Article 63 the following sub committees shall be created by the Board.
 - 63.1 An Accreditation Sub Committee who shall be responsible for advising the Board on those aspects of the Rules that relate to the approval of Accredited Suppliers and decisions regarding re-accreditation of Accredited Suppliers including but not limited to recommendation for removal of accreditation from Accredited Suppliers and there shall be one representative on the Accreditation Sub Committee from each of the following Member Groups:
 - 63.1.1 Insurer Members Croup;
 - 63.1.2 Medical Representatives Members Group; and
 - 63.1.3 Claimant Solicitors Group.

- 63.2** An Audit and Peer Review Sub Committee who shall be responsible for advising the Board on the development and implementation of the Rules with regard to the delivery of audit and peer reviews, the quality of Reports and the completion of management information generated from Reports and there shall be one representative in the Audit and Peer Review Sub Committee from each of the following Member Groups:-
- 63.2.1** Insurer Members Group;
 - 63.2.2** Medical Representatives Members Group; and
 - 63.2.3** Claimant Solicitors Members Group.
- 63.3** An Information Technology Sub Committee who shall be responsible for advising the Board on the management and operation of the systems and processes of MEDCO including the enhancement to such systems and processes and there shall be one representative on the Information Technology Sub Committee from each of the following Member Groups:
- 63.3.1** Insurance Members Group;
 - 63.3.2** Claimants Solicitors Group; and
 - 63.3.3** Medical Representative Member Groups.
- 64.** All acts performed in good faith by any meeting of the Board or of any committee of the Board, or by any person acting as a member of the Board, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any member of the Board or that they or any of them were disqualified from holding office or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a member of the Board.
- 65.** The continuing members of the Board may act notwithstanding any vacancy in their body, provided always that if the members of the Board shall at any time be reduced in number to less than 6, it shall be lawful for them to act for the purpose of filling up vacancies in their body or for accepting applications for membership or for summoning a General Meeting but not for any other purpose.
- 66.** The Board shall cause proper minutes to be made of all appointments of officers made by the Board and of the proceedings of all meetings of MEDCO and of the Board and of committees of the Board and all business transacted at such meetings. Any such minutes of any meeting, if purported to be signed by the chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.
- 67.** A resolution in writing signed by all the members for the time being of the Board or of any committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or such committee of the Board duly convened and constituted.

- 68.** The Board may appoint the Chairman and/or independent managers (in either case, "**the Manager**") to manage any or all aspects of the business of MEDCO on such terms, including the payment of remuneration to the Manager, as will be specified in the management agreement between MEDCO and the Manager approved by the Board.

ACCOUNTS

- 69.** The Board shall cause proper books of account to be kept with respect to:
- 69.1** all sums of money received and expended by MEDCO and the matters in respect of which such receipts and expenditure take place;
 - 69.2** all sales and purchases of goods by MEDCO; and
 - 69.3** the assets and liabilities of MEDCO.
- 70.** The books of account shall always be open to the inspection of the members of the Board at the registered office of MEDCO.
- 71.** The Members in General Meeting or in a resolution in writing of the Members may from time to time make reasonable conditions and regulations as to the time and manner of the inspection by the Members of the accounts and books of MEDCO, or any of them, and subject to such conditions and regulations the accounts and books of MEDCO shall be open to the inspection of Members at all reasonable times during business hours.
- 72.** The Board shall lay before the Members in General Meeting an income and expenditure account for the period since the last preceding account, together with a balance sheet made up as at the same date. Every such balance sheet shall be accompanied by a report of the Board and a report of the Auditors, and a copy of such account, balance sheet and reports shall not less than twenty-one days before the date of the meeting be sent to all persons entitled to receive notices of General Meetings. Should the Board resolve not to lay such documents before the Members in General Meeting but to send copies of the same to all persons entitled to receive notice of General Meeting instead, the Board shall comply with the time limits set out in this regard pursuant to the provisions of the Act.

AUDIT

- 73.** Once at least in every Year the accounts of MEDCO shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by a properly qualified auditor.
- 74.** An auditor shall be appointed and his duties regulated in accordance with the Act.

NOTICES

- 75.** Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this Article 75, Article 38.4, Article 76 and Article 77, 'address', in

relation to electronic communications, includes any number or address used for the purposes of such communications.

- 76.** MEDCO and Members may give any notice to a Member or other Members by either personally or by sending it by post in a prepaid envelope addressed to the Member or by giving it using electronic communications, in each case:
- 76.1** to his principal address within the United Kingdom; or
- 76.2** in the case of a notice given by electronic communication, to an address for the time being notified to MEDCO by the Member.
- 77.** A Member present either in person or by proxy at any meeting of MEDCO shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 78.** Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.
- 79.** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.