

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 26th February 2021)

Interpretation

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

Accredited Expert	a medical expert who will accept instructions to complete a Report for a Claimant and who has been granted accredited status by MedCo in order to do so;
Act	means the Companies Act 2006;
Board	the board of directors of MedCo;
Chair	the Chair of the Board of directors and as appointed by the Board in accordance with Article 55;
Civil Procedure Rules	means the rules of court governing the practice and procedure to be followed in civil litigation proceedings in England and Wales as established by the Civil Procedure Act 1997 and updated periodically by the Civil Procedure Rule Committee. For the purposes of these Articles, any reference to the Civil Procedure Rules incorporates reference to the relevant Practice Directions and pre-action protocols relating to pre-issue conduct, as made and approved from time to time by the Head of Civil Justice;
Claimant	a party who initiates or intends to initiate legal proceedings for damages and is required by the Civil Procedure Rules to obtain a Report sourced via MedCo;
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;

Database	the MedCo branded online application or software (as modified by MedCo from time to time), which shall allow access to contribute Database Data or search that Database Data in accordance with the terms and conditions of the MedCo User agreements;
Database Data	the data provided by Users in accordance with the provisions of their MedCo User agreements;
director	means a director of MedCo, and includes any person occupying the position of director, by whatever name called;
Electronic Form	has the meaning given in section 1168 of the Act;
Executive Director	a director of MedCo who has been appointed pursuant to Article 55 and is Independent;
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;
Independent Director	a director of MedCo who has been appointed pursuant to Article 57 and is Independent;
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(s)	has the meaning given to in Article 79;
MedCo	MedCo Registration Solutions company number 09295557;
MedCo Rules	rules made by the MedCo Board from time to time and notified to Users on reasonable notice in accordance with the Board's powers as defined by

	these Articles of Association;
Medical Practitioners Members Group	The Association of Medical Reporting Organisations, 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 of MedCo;
Member Group	any of the Claimant Solicitor Members Group, the Insurers Members Group or the Medical Practitioners Members Group;
MoJ	Ministry of Justice;
Month	a calendar month;
MRO	a Medical Reporting Organisation that meets the definition of an MRO and the other minimum Qualifying Criteria as outlined in the “Qualifying Criteria for Medical Reporting Organisations” document published by the Ministry of Justice (“MoJ”) on www.medco.org.uk (as amended, or as otherwise stipulated by MoJ, from time to time);
Nominee	a person nominated by a Founding Member to act as a Non-Executive Director;
Non-Executive Director(s)	a director of MedCo who has been appointed pursuant to Articles 41 to 47;
Ordinary Member	any member of MedCo who is not a Founding Member;
Qualifying Criteria	the criteria set by the MoJ from time to time;
Register	the register of Members of MedCo;
Registered Office	has the meaning given in section 86 of the Act;
Reports	a fixed cost medical report in respect of an injury following a road traffic accident within the meaning of the relevant of the Pre- Action Protocol.

- 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 individual or organisation authorised by MedCo to access or be listed on the MedCo Database.
- 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 develop, operate and maintain an electronic Database capable of generating details of MROs and Accredited Experts who may be instructed to provide a medical report in accordance with the Civil Procedure Rules. The Database will also capture and provide such information as deemed necessary by the Board or the MoJ, including but not limited to anonymised medical case data and relevant management data.

- 2.2** To assess whether Users should have access to or continue to have access to the Database or be listed as an Accredited Expert or MRO capable of providing Reports, by undertaking audits, peer reviews or by such method as deemed appropriate by the Board.
- 2.3** To give effect to any requirement for Claimants to use MedCo in the Civil Procedure Rules.
- 2.4** To interpret and apply the Qualifying Criteria when considering applications from Users to register with MedCo and/or auditing Users that are already registered.
- 2.5** To comply with relevant policy directives and objectives set down by the MoJ, from time to time, and to give effect to these.
- 2.6** To provide accreditation training to allow experts to become Accredited Experts capable of providing Reports.
- 2.7** To:
 - 2.7.1** suspend or withdraw access to the Database where necessary pursuant to the agreements between MedCo and the User;
 - 2.7.2** maintain a system of declarations to identify financial links between Users; and
 - 2.7.3** preclude a User's search generating a list of Accredited Experts or MROs to whom the User has a financial link.
- 2.8** 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.
- 2.9** To levy or charge fees for using the Database or for MedCo providing other services.
- 2.10** 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.
- 2.11** To bring a claim or defend MedCo in legal proceedings, including in engaging in arbitration and mediation to settle disputes.
- 2.12** To pay, satisfy or compromise any claims made against MedCo (whether or not enforceable) which it may seem expedient to pay, satisfy or compromise.
- 2.13** To borrow and raise money and secure any debt or obligation of or binding on

MedCo in such manner as may be thought fit.

- 2.14** To do any of its objects by itself or through subsidiary, associated or related companies or through any agent or nominee.
 - 2.15** To carry on any other business or activity of any nature and do anything which may seem to the Board capable of being carried on directly or indirectly for the benefit of MedCo, its Users or the wider public.
 - 2.16** 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 employee of MedCo, or to any Member in return for any services actually rendered to MedCo (including the secondment of any officers or employees of any Member 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.
 - 5.3** Only Independent Directors and the Executive Director may be appointed to a salaried office of MedCo or to an office of MedCo paid by fees, and otherwise Non-Executive Directors shall only be entitled to receive: (a) reasonable expenses incurred in the fulfillment of their usual duties and/or (b) remuneration and/or fees in relation to exceptional duties beyond the usual duties of a Non-Executive Director and where at least 66% of the directors approve such payment at a meeting of the Board or in writing. No other remuneration or other benefit or money's worth shall be given by MedCo to any director 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 Non-Executive Director who is willing to act as a director of MedCo and shall have the right from time to time to remove any Non-Executive Director nominated 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 28 days 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 Non-Executive Director, or (c) him giving notice to remove his current Nominee under Article 49, deliver a Nominee Notice pursuant to Article 43.1; or
 - 10.2 he has 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 director, or (c) him giving notice to remove his current Nominee under Article 49, 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 MedCo; or
 - 11.2 re-designate him as an Ordinary Member of MedCo, ineach case, such written notice being a "**Default Notice**".
12. Any re-designation 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 MedCo; 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. A third party may apply to become a Member by applying in writing to the Board. That party shall be admitted as a Member provided that, at the meeting of the Board to consider the application, no more than one director present and forming part of the quorum at the meeting objects to the application. During such meeting the Board shall determine whether such person is to be:
- 13.1** a Founding Member or an Ordinary Member; and/or
- 13.2** part of any Member Group.
- 14.** Any ordinary Member may become a Founding Member provided that, at the meeting of the Board to consider the application, no more than one director present and forming part of the quorum at the meeting objects to the application.
- 15.** Subject to these Articles, the following persons shall be Founding 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 MedCo Rules and any other regulations of MedCo and the terms of any policy document issued or adopted by MedCo, provided that the MedCo 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 Non-Executive Director 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 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 seventy five (75) per cent of the total voting rights at a General Meeting.

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 directors

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 Chair or in his absence some other person as the Board may appoint shall preside as chair 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, five 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 Chair 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 Chair 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 Chair 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 Chair 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 Chair 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 Chair 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 entitled to vote on a show of hands and 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 Form, where an address has been specified for the purpose of receiving communications in Electronic Form:

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 Form 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 its Registered 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 Form, 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 MedCo's 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:

40.1 9 Non-Executive Directors who shall be nominated by the Members and appointed pursuant to Articles 41 to 47;

40.2 one Executive Director, appointed by the Board pursuant to Article 55; and

40.3 7 Independent Directors, appointed by the Board pursuant to Article 57.

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 directors, an Ordinary Member or non-Member (in each case, a **Third Party**) may be invited to nominate one person to be a Non-Executive Director who is willing to act as a Non-Executive Director of MedCo, conditional on:

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

41.2 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 Non-Executive Director.

42. A Non-Executive Director appointed under these Articles shall in accordance with Article 58 cease to be a Non- Executive Director if the Member who nominated the Non- Executive Director ceases to be a Member and in which case Article 49 shall not apply.

43. Where a Founding Member (or Third Party) wishes (or is required pursuant to Article 9) to nominate or replace a Non-Executive Director:

- 43.1** he must provide a notice to the Company Secretary ("**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 Non- Executive Director of MedCo;
- 43.2** the Nominee Notice must, to be valid, also include a request that that any Non-Executive Director previously nominated by the nominating Founding Member be removed (conditional upon and with effect from 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 director and request that each director (other than the Non-Executive Director who is nominated by the same Member as the Nominee) respond in writing to the Company Secretary either (i) approving; or (ii) objecting to the appointment of the Nominee director, and, in the case of an objection, such director must provide full reasons for such objection.
- 45.** Subject to Article 46, the appointment of a Nominee to the Board will be:
- 45.1** effective once approval notices pursuant to Article 44 have been received by the Company Secretary from no fewer than five (5) current directors; or
 - 45.2** deemed to be rejected 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 the directors; 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 Non-Executive Director nominated by the Member who has proposed the Nominee shall not be counted for the purposes of this Article 45.
- 46.** Where a Third Party is invited to nominate a person to be a Non- Executive Director 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 in accordance with the terms of these Articles.
- 47.** If a Nominee proposed by the Member is rejected by the Board in accordance with Article 45.2, further candidates may be proposed by the Member until such time as a Nominee is appointed.
- 48.** All of the directors nominated by Founding Members will be Non-Executive Directors.

49. A Founding Member may elect to remove a Non-Executive Director nominated under Article 9 and Article 40 or that Nominee may elect to resign as a Non-Executive Director, in either case, by giving not less than 28 days' written notice to MedCo executed by a duly authorised person on behalf of the Founding Member or the Non-Executive Director (as the case may be).
50. Subject to the provisions of Article 58, if any Non-Executive Director appointed ceases to be a director, the Founding Member who nominated the Non- Executive director must nominate another Nominee in his place in accordance with these Articles.
51. Each director (including the Chair), other than the Independent Directors, shall serve for an initial period of 3 years from the date of the appointment to the Board. At the end of this initial period that director shall immediately resign but shall be eligible for re-appointment for any number of further periods of up to 3 years, subject to consent of 50% the Board in writing being provided within 28 days of the end of each 3 year period.
52. The Secretary of State for Justice 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.

CHAIR AND INDEPENDENT DIRECTORS

55. The Executive Director shall from time to time be appointed by a majority decision of the Non-Executive Directors and when so appointed shall act as Chair of the Board. The Chair shall have the right to attend and speak at a meeting of the Board and shall be entitled to vote in accordance with Article 60.
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 Chair. The Chair shall implement

the decisions of the Board without any condition.

- 57.** The Board may from time to time appoint a committee pursuant to Article 74, which shall identify and nominate individuals for the position of Independent Director for such period in office as the committee may suggest. The appointment of such nominees as Independent Directors, and all terms on which such nominees shall serve as Independent Directors, including their term in office, shall be subject to the approval of the Board as a whole.

DISQUALIFICATION OF MEMBERS OF THE BOARD

- 58.** The office of a director shall be vacated:
- 58.1** if a winding up, provisional liquidation or administration order is made against the Member by whom he was nominated or if he or the Member by whom he was nominated becomes bankrupt or insolvent or if a receiving order is made against him or the Member by whom he was nominated or if he or the Member by whom he was nominated makes any arrangement or composition with his or its creditors;
 - 58.2** if by notice in writing to MedCo he resigns his office;
 - 58.3** if the Member by whom he was nominated ceases to be a Member;
 - 58.4** if, being an employee or officer of his nominating 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 by whom he was nominated, save where the relevant Member notifies MedCo, in writing prior to such cessation, that his appointment should nevertheless continue;
 - 58.5** 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;
 - 58.6** If a registered medical practitioner who is treating that person gives a written opinion to MedCo stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - 58.7** if he is convicted of a criminal offence (other than a minor motor offence) and the Board resolves that his office should be vacated;
 - 58.8** if he breaches the provisions of Article 64 and the Board resolves that his office should be vacated;
 - 58.9** 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
 - 58.10** 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

59. The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless otherwise determined by the Board, five directors shall be a quorum (which for the avoidance of doubt may include the Chair), provided in all cases that such quorum includes at least one Non-Executive Director from each of the Member Groups.
60. All resolutions of the Board (whether at a meeting or in a written resolution) shall be decided by a majority of votes, provided in all cases that such majority includes at least one Non-Executive Director from each of the Member Groups. Every director eligible to vote on a resolution shall have one vote.
61. Two directors may, and on the request of two directors the Chair shall, at any time summon a meeting of the Board by notice in writing served upon all of the directors. A director who is absent abroad shall be entitled to notice of a meeting at his business address as notified to MedCo in writing.
62. If there is no Chair or the Chair is not present within fifteen minutes after the time appointed for holding the same and willing to preside, the directors present shall choose one of their number to be chair of the meeting, although the director so appointed shall continue to be entitled to vote in accordance with Article 60.
63. 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.
64. A director who, in relation to any matter in which he, or any Member by whom he was nominated, 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 that director may not vote at that meeting of the Board in relation to the conflicted issue, nor form part of the quorum present at that meeting whilst the conflicted issue is being discussed.
65. Any Member Group (the "**Appointing Group**") may, by majority decision of its Members, appoint as an alternate any other director, or any other person approved by resolution of the Board, to:
- 65.1 exercise that director's powers; and
- 65.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the Board in the absence of a Non-Executive Director nominated by that Appointing Group.
66. The Chair may appoint as an alternate any Manager (as defined in Article 79) or any other person approved by resolution of the Board to:

- 66.1** exercise the Chair's powers; and
- 66.2** carry out the Chair's responsibilities,

in relation to the taking of decisions by the Board in the absence of the Chair.

67. Any appointment or removal of an alternate:

- 67.1** pursuant to Article 65 must be effected by the giving of notice in writing to MedCo signed by a majority of the Appointing Group, or in any other manner approved by the Board; and/or
- 67.2** pursuant to Article 66 must be effected by the giving of notice in writing to MedCo signed by the Chair, or in any other matter approved by the Board.

68. The notice must:

- 68.1** identify the proposed alternate; and
- 68.2** in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the absent director.

69. An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the director the alternate is acting in place of.

70. Except as the Articles specify otherwise, alternate directors:

- 70.1** are deemed for all purposes to be directors;
- 70.2** are liable for their own acts and omissions;
- 70.3** are subject to the same restrictions as their appointors; and
- 70.4** are not deemed to be agents of or for their appointors.

71. Subject to Article 70, a person who is an alternate director but not a director:

- 71.1** may be counted as participating for the purposes of determining whether a quorum is present (but only if the director the alternate is acting in place of is not participating), and
- 71.2** may sign a written resolution (but only if it is not signed or to be signed by the director the alternate is acting in place of).

72. In the case of an alternate appointed pursuant to Article 65 only, an alternate director may be appointed to be an alternate for more than one Non-Executive Director, provided that the Non-Executive Director which the alternate is currently acting in place of is the Nominee of a Member from the same Appointing Group as the Member which appointed the Non-Executive Director that it is proposed the alternate shall act in place of. An alternate shall have an additional vote at meetings of the Board for each Non-Executive Director for whom the alternate acts in place of but the alternate shall count as only one Non-Executive Director for the purpose of determining whether a quorum is present.

73. An alternate director's appointment as an alternate terminates:

- 73.1** when the Appointing Group or the Chair (as the case may be) revokes the appointment by notice to the Board in writing specifying when it is to terminate; or
- 73.2** on the occurrence in relation to the alternate of any event which, if it occurred in relation to the director the alternate is acting in place of, would result in the termination of that director's appointment as a director.
- 74.** The Board may delegate any of its powers to committees consisting of such directors and/or third parties 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. If no such regulations are imposed 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.
- 75.** 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 director or member of any committee, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any director or member of any committee 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 director or member of such committee.
- 76.** The directors may act notwithstanding any vacancy in their body, provided always that if the directors shall at any time be reduced in number to less than 5, it shall be lawful for them to act only for the purpose of filling vacancies in their body or for accepting applications for Membership or for summoning a General Meeting but not for any other purpose.
- 77.** 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 chair of such meeting, or by the Chair of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.
- 78.** A resolution in writing signed by all of the directors 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.
- 79.** The Board may appoint the Chair and/or 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

- 80.** The Board shall cause proper books of account to be kept with respect to:
- 80.1** all sums of money received and expended by MedCo and the matters in respect of which such receipts and expenditure take place;

80.2 all sales and purchases of goods by MedCo; and

80.3 the assets and liabilities of MedCo.

81. The books of account shall always be made available for the inspection by the directors at the Registered Office of MedCo.

82. Except as provided by law or authorised by the Board or an ordinary resolution of MedCo, no person is entitled to inspect any of MedCo's books of account, accounting or other records or documents merely by being a Member.

83. 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

84. 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.

85. An auditor shall be appointed and his duties regulated in accordance with the Act.

NOTICES

86. 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 in an Electronic Form to an address for the time being notified for that purpose to the person giving the notice. In this Article 86, Article 38.4, Article 87 and Article 88, 'address', in relation to communications in an Electronic Form, includes any number or address used for the purposes of such communications.

87. 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 in an Electronic Form, in each case:

87.1 to his principal address within the United Kingdom; or

87.2 in the case of a notice given by Electronic Form, to an address for the time being notified to MedCo by the Member.

88. 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.

- 89.** 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 Form 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 Form, at the expiration of 48 hours after the time it was sent.
- 90.** 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.

INDEMNITY AND INSURANCE

- 91.** Subject to Article 92, a relevant director of MedCo may be indemnified out of MedCo's assets against:
- 91.1** any liability incurred by that director in connection with any negligence, default or breach of duty or breach of trust in relation to MedCo;
 - 91.2** any liability incurred by that director in connection with the activities of MedCo in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act);
 - 91.3** any liability incurred by that director as an officer of MedCo.
- 92.** This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 93.** The directors may decide to purchase and maintain insurance, at the expense of MedCo, for the benefit of any relevant director in respect of any relevant loss.
- 94.** In Articles 91, 92 and 93 a "relevant director" means any director or former director of MedCo and a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to MedCo or any pension fund of MedCo.