

21708

EXTRACT FROM MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEDICAL DEFENCE
UNION LTD, HELD ON 20 July 1993 AT THE CAVENDISH CONFERENCE CENTRE
20 DUCHESS MEWS
LONDON W1N 3AD

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Present: A R Horler (in the Chair); J C Smith (Vice-Chairman); A R Aitkenhead, P C Ball, J E Banatvala, B E Barrett, R M Basker, Hedley E Berry, K C Brown, A H Brook, C J Earl, C C Evans, I Kelsey Fry, J S Garfield, H M Hallé, R L Hargrove, Carmel Hemming, R W Hiles, R B Johns, J H Jones, M Idrees, N C Keddie, J G Kennedy, W S L La Frenais, D E Markham, A W Morrison, C O'Herlihy, P Pedlow, G G Pollock, D E Poswillo, R K Prasad, R Raja Rayan, A J Rowe, M T Saunders, P J Holmes Sellors, J P Shepherd, P G Sullivan, E M Symonds, J L S Thomson, J L Townend, R E Turner, R H Vickers, J A Wall (Chief Executive), R M Watson

K G Addison, Suzanne Collinge, M M Gallivan, Baroness Hooper, Sir Roland Smith (Board Members); M M Gallivan (General Manager, Finance); G Burt, P J Hoyte, P B F Swiss (Medical and Dental Secretariat); M J Gifford (Head of Membership Development); N J Bowman (Assistant Company Secretary); Kathryn A Sherriff (Company Secretarial Assistant); Mary-Lou Nesbitt (Head of Marketing Communications); Valerie Cole (Administration Manager); Glynis Squires (Committee Officer); R Pearson (Pannell Kerr Forster); C Winder, J A Watt (Solicitors)

ARTICLES OF ASSOCIATION

21. **Considered:** Special Resolutions relating to the Articles of Association.
22. After being put to the vote, the following resolutions (minutes 23-33) were carried as Special Resolutions:
23. **Resolved:** As a Special Resolution, that 'MDU' be substituted for 'Union' in all places where 'Union' appears in the Memorandum and Articles of Association except as part of the name 'The Medical Defence Union Limited'.
24. **Resolved:** As a Special Resolution, that Article 2, line 15 be amended by deleting 'including the Deputy Chief Executive'.
25. **Resolved:** As a Special Resolution, that Article 9, lines 1, 2 and 3 be deleted and the following inserted: 'If the Board of Management or any committee or sub-committee to which the Board of Management may delegate its powers in this respect passes a resolution'.
26. **Resolved:** As a Special Resolution, that Article 13 be amended by substituting 'Chief Executive' for 'Secretary'.

N J Bowman

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27. Resolved: As a Special Resolution, that Article 42(c) be amended by deleting 'Deputy Chief Executive' and re-numbering Article 42(c)(iii), (iv) and (v) as (ii), (iii) and (iv), and by substituting 'Finance' for 'Financial Services'.
28. Resolved: As a Special Resolution, that Article 51 be deleted in its entirety and the following inserted:

'At each annual general meeting the following members of the Board of Management shall retire from office but shall (subject as hereinafter provided) be eligible for re-election:

(a) three of the members defined in Article 42(a)
(b) one of the members defined in Article 42(b)
(c) one of the members defined in Article 42(c)

provided always that no member of the Board of Management shall serve for more than three years without re-election.'
29. Resolved: As a Special Resolution, that Article 60 be amended by substituting 'The President and Vice-President of the Council shall be appointed from those who have been elected to the Board under Article 42(a)' for 'The Chairman and Vice-Chairman shall be so appointed and shall be the President and Vice-President respectively of the Council'.
30. Resolved: As a Special Resolution, that the following additional Article, numbered 63(d), be inserted after Article 63(c):

'Notwithstanding the above provisions of this Article 63 and provided that the Standing Orders of the Board of Management and the provisions of Section 293(5) of the Companies Act 1985 (or any statutory modification or re-enactment for the time being in force) have been complied with, the person who holds the office of Chairman of the Board of Management at the Annual General Meeting to be held in 1994 and at any Annual General Meeting thereafter shall be eligible for re-election to the Board of Management under Article 42(a) despite having attained the age of 70 years, and such a person shall be eligible for appointment to the Council and to any committee or sub-committee exercising the powers of the Board of Management under Article 46.'
31. Resolved: As a Special Resolution, that Article 80 be amended by substituting 'members of the Board of Management defined in Article 42(c)' for 'Chief Executive, Deputy Chief Executive'.
32. Resolved: As a Special Resolution, that the following additional Article,

13/10/93

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numbered 89, be inserted:

'The Board of Management may from time to time purchase and maintain in force insurance, at the expense of the MDU, for the benefit of any member of the Board of Management, manager or other officer of the MDU or of any company which is a subsidiary of the MDU against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as a member of the Board of Management, manager or officer.'

33. Resolved: As a Special Resolution, that 'Company' be inserted before 'Secretary' in the following places:

Article 40
Article 78
Article 80
Article 87

CERTIFIED A TRUE COPY

DATE: 29 July 1993.

N J Bowman

N J Bowman
Company Secretary

COMPANY NUMBER: 21708



MEMORANDUM OF THE MEDICAL DEFENCE UNION LIMITED

1. The name of the company is THE MEDICAL DEFENCE UNION LIMITED (hereinafter called 'The MDU').
2. The registered office of the MDU will be situated in England.
3. The objects for which the MDU is established are:
 - (i) To promote support and protect the character and interests of such categories of medical and dental practitioners, teachers and students of medicine and dentistry and other practitioners teachers or students of allied professions and sciences as shall for the time being be specified as eligible for membership of the MDU by the Board of Management of the MDU in accordance with the Articles of Association of the MDU for the time being in force.

- (ii) To promote high standards of professional practice.
- (iii) To give advice or legal assistance to or defend or to take part in advising assisting or defending members or applicants for election to membership or former members of the MDU or the personal representatives of deceased members or former members who may seek such advice and/or who are or are likely to become parties to or otherwise involved in litigation or disputes in respect of matters concerning or affecting directly or indirectly the professional character or interests or conduct in a professional capacity of any such member deceased member or former member or which raises directly or indirectly a question of professional principle.
- (iv) To indemnify wholly or in part and on such terms and conditions as may from time to time seem expedient any member or applicant for election to membership or former member of the MDU or the personal representatives of any deceased member or former member against liability loss or expense arising from actions proceedings claims and demands by or against them in respect of matters concerning or affecting whether directly or indirectly the professional character or interests or conduct in a professional capacity of any such member or applicant for election to membership or deceased member or former member or which raise directly or indirectly a question of professional principle including all incidental or consequential losses, damages, costs, charges and expenses but exclusive of fines or penalties.
- (v) To expend moneys of the MDU in paying the whole or any part of the costs charges and expenses of any proceedings whether legal or otherwise in which a question of importance to the members of the MDU is or is likely to be determined.
- (vi) To make suitable provision including the taking of financial measures for mitigating the risks or liabilities of the MDU or its members.
- (vii) To grant sums of money from the funds of the MDU and to provide its services for or to other persons or bodies concerned with the investigation or the promotion of matters

relating to the medical dental and allied professions or matters which concern or may affect members of those professions or their welfare.

- (viii) To consider, originate, promote and support (so far as is legal) legislative measures likely to benefit the members of the MDU, and to oppose all measures calculated to injure them. And for the purposes aforesaid to petition parliaments and take such other steps and proceedings as may be deemed expedient.
- (ix) To provide services for reward for or to any person or body concerned with the handling of claims (a) involving medical or dental practitioners, teachers or students of medicine or dentistry or other practitioners, teachers or students of allied professions or sciences (b) otherwise arising out of the provision of medical or dental or related services to the public.
- (x) To carry on business by the provision or the procurement of the provision to its members of advice, assistance or services on any matters relating to their professional or business affairs.
- (xi) To carry on business by way of the commercial exploitation of the assets, know-how and expertise of the MDU generally in data management, claims handling, risk management and related matters.
- (xii) To carry on any business whatsoever which can in the opinion of the Board of Management of the MDU be conveniently and advantageously carried on by the MDU in connection with or ancillary to any of the other objects of the MDU herein set forth.
- (xiii) To subscribe to or become a member of or establish or promote or support by the application of funds of the MDU (whether by way of grant, or loan, or otherwise) any company, institution, society or body whether charitable or not, which has objects similar to the objects of the MDU, or which is for the benefit of medicine or dentistry, teachers or students of medicine or dentistry or other practitioners, teachers or students of allied professions or sciences.

- (xiv) In the attainment of the above objects to do all such things as are incidental or conducive thereto or to any of them including: the purchase lease exchange or hire of any real or personal property and the taking or acquisition of all and any rights or privileges which the MDU may think necessary or convenient for the purpose of its objects or any of them; the making of any agreement or contract; the making acceptance endorsement and execution of promissory notes, bills of exchange and other negotiable instruments; the investment of the moneys of the MDU not immediately required upon such securities or otherwise as may from time to time be determined; raising or borrowing money in such manner as the MDU shall think fit; selling managing developing leasing mortgaging charging disposing of or otherwise dealing in any way with all or any part of the MDU's property.

The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not be in any way limited to, or restricted by, reference to or inference from any other object, or objects, set forth in such sub-clause or from the terms of any sub-clause or by the nature of the MDU. None of such sub-clauses or the object, or objects, therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the MDU shall have full power to exercise all, or any of, the powers and to achieve or endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.

4. The liability of the members is limited.
5. The income and property of the MDU, whencesoever derived shall be applied solely towards the promotion of the objects of the MDU as set out in this Memorandum of Association .
6. No dividends shall be paid to the members of the MDU.
7. Every member of the MDU undertakes to contribute to the assets of the MDU, in the event of the same 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 the MDU 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 amongst themselves, such amount as may be required not exceeding £1.00.

WE, the several persons, whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

FRANK HASTINGS DAUNEY, of No. 6, Lexham Gardens, in the County of Middlesex, Solicitor.

CHARLES FREDERICK RIDEAL, of 6, Belgrave Terrace, Brixton, in the County of Surrey, Gentleman.

CHARLES TOPHAM CLEMENTS, of 3, Porchester Square, in the County of Middlesex, Gentleman.

PHILIP HENRY WALTERS LEGATT, 47, Cornwall Gardens, Queen's Gate, in the County of Middlesex, Gentleman.

JOHN FREDERICK SPENCER CRIDLAND, of No. 17, Bedford Row, in the County of Middlesex, Solicitor.

JOHN MOORE SINYANKI, 57, Pall Mall, in the County of Middlesex, Gentleman.

EDWARD SOUTHWELL FITZGERALD, 98, Portland Place, in the County of Middlesex, Gentleman.

Dated the 23rd day of October, 1885.

Witness to the above signatures,

HARRY CROMWELL, 17, Bedford Row, Middlesex, Clerk.

COMPANY NUMBER: 21708

ARTICLES OF ASSOCIATION OF THE MEDICAL DEFENCE UNION LIMITED

(a company limited by Guarantee not having a share capital)

1. The MDU for the purposes of registration is declared to consist of 200,000 members. The Board of Management may register an increase of members.

INTERPRETATION

2. In these Articles:

'the Act' means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

'the MDU' means the Medical Defence Union Limited.

'the Articles' means these Articles of the MDU.

'Board of Management' means the Board of Management of the MDU constituted in accordance with the Articles the members of which shall for all purposes be the directors of the company.

'the Council' means the Council of the MDU appointed by the Board of Management pursuant to Article 60.

'the Seal' means the common seal of the MDU.

'Chief Executive' means the Chief Executive of the MDU or any other person appointed to perform the duties of the Chief Executive of the MDU.

'Member' means a person accepted and continuing as such in accordance with Articles 4 to 14.

- 'Applicant for election to membership' means a person who is eligible for membership in accordance with Article 5 and has duly applied for membership in accordance with Articles 6 and 7 and whose application has been received in accordance with Article 8 and in respect of whose application there is no reason to suppose that the same would not result in election to membership.
- 'Cases Committees' means those committees of the Board of Management so described in the Standing Orders of the Board of Management from time to time or any successors of such committees.
- 'Standing Orders of the Board of Management' means the Standing Orders made by the Board of Management from time to time pursuant to Article 43.
- 'The United Kingdom' means Great Britain and Northern Ireland.
- 'Register' means the register of medical practitioners prescribed by the Medical Act 1983 and/or the register of dental practitioners prescribed by the Dentists Act 1984 or such registers as may be prescribed by any Acts amending modifying or re-enacting or replacing those Acts and/or any register of medical dental or other practitioners (whether described by the word 'register' or otherwise) established in such parts of the world (other than the United Kingdom) as the Board of Management from time to time determines.

Unless the context otherwise requires words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the MDU.

OBJECTS AND POWERS OF THE MDU

3. The objects for which the MDU is established, as set forth in the Memorandum of Association, shall be carried out in the manner provided by these Articles.

MEMBERS

4. The Board of Management shall from time to time specify the categories of persons or groups of persons who are eligible for membership of the MDU being medical or dental practitioners, teachers or students of medicine or dentistry, and other practitioners teachers or students of allied professions and sciences. The Board of Management shall have power subject to the following Articles from time to time to lay down the conditions and terms on which such practitioners teachers and students shall be eligible for membership and may lay down such different terms or conditions (including the rate and method of payment of subscriptions) for such different categories or groups as to it may seem fit. 10.
5. Any person or member of a group of persons of or in a category specified by the Board of Management as eligible for membership may, subject to the following Articles and any conditions or terms laid down by the Board of Management become a member of the MDU. 11.
6. Applications for membership shall be made by completion of such forms to be submitted to such persons or bodies as the Board of Management may from time to time approve and different forms persons or bodies may be approved for different categories of persons or groups of persons who are eligible for membership.
7. Every application shall include an address to which notices to be given pursuant to these Articles are to be sent and it shall be the obligation of every member of the MDU or (as the case may be) group of members to notify the MDU of any changes in the address to which such notices are to be sent. 12.
8. On receipt by the approved person or body of the appropriate application form duly completed the applicant or applicants shall be deemed to have agreed to become members of the MDU.
9. If the Board of Management or any committee or sub-

committee to which the Board of Management may delegate its powers in this respect passes a resolution accepting an applicant or group of applicants as members of the MDU the name and address of the applicant or applicants (provided in accordance with Article 7) shall be entered in the register of members of the MDU and membership shall be deemed to have commenced as from the date on which the application was received or from such later date as the Board of Management or such committee or sub-committee may decide.

10. The rights and privileges of every member and applicant for election to membership shall be personal to himself and they shall not be transferable by his own act or by operation of law, but this shall not prevent the Board of Management exercising its powers as provided by these Articles in relation to any deceased person who was at the date of his death a member or who was not at the date of his death a member but had formerly been a member and had ceased to be such.
11. The Board of Management shall be entitled in its absolute discretion and subject only to giving 42 days' prior notice to the member of its intention to do so to refuse to renew the membership of any member with effect from the date on which that member's current subscription expires ("the expiry date") and in such event at the end of the expiry date such member shall cease to be a member of the MDU.
12. Without prejudice to Article 11:
 - (a) Any member whose name is erased from any register or whose licence or entitlement to practise in any place is withdrawn or cancelled shall unless the Board of Management otherwise determines ipso facto forthwith cease to be a member of the MDU.
 - (b) Any member whose registration in any register or licence to practise in any place is suspended or restricted shall unless the Board of Management otherwise determines ipso facto cease to be a member of the MDU.
 - (c) Any member who has been found guilty of serious professional misconduct in disciplinary proceedings in any jurisdic-

- tion (whether in those words or not and whether or not any penalty may have been imposed) shall unless the Board of Management or any committee of the Board of Management authorised in that behalf otherwise determines on the expiry of four calendar months after such finding cease to be a member of the MDU. 18.
13. A member or any group of members may at any time withdraw from membership by giving at least 14 days' clear notice to the Chief Executive. (a)
14. If any member or applicant for election to membership or any group to which the member belongs makes default in any payment of whatsoever nature due to the MDU then: (b)
- (i) if such default shall continue for 14 days after such payment shall become due the member shall unless the Board of Management at any time otherwise determines cease to be entitled to any benefits of membership; and 19.
- (ii) if such default shall continue for four calendar months after such payment shall become due the member shall, unless the Board of Management at any time otherwise determines, cease to be a member. 20.
15. Any person who shall by any means cease to be a member shall nevertheless remain liable for, and shall pay to the MDU, all moneys which shall, at the time of his ceasing to be a member, be due from him to the MDU. 21.
- SUBSCRIPTIONS
16. Save insofar as the Board of Management may otherwise determine every member shall pay or cause to be paid to the MDU in such amount and manner and on such date or dates as the Board of Management may from time to time determine a subscription. 22.
17. The Board of Management may determine different rates and methods of payment of subscriptions for such categories or groups of members, and according to such criteria as to it may seem fit.

18. The Board of Management may in circumstances which it considers to be urgent or exceptional give notice to such categories or groups of members as it may decide requiring them to pay a special levy to the MDU in addition to any subscription payable. A special levy shall be payable in such amount and on such date as the Board of Management may determine save that it shall not be payable:
- (a) in an amount exceeding the amount of any subscription payable by such member or group in the year in which the Board of Management calls for a special levy; nor
 - (b) on a date earlier than 21 days after the date of the notice of the special levy.

GENERAL MEETINGS

19. All general meetings other than annual general meetings shall be called special meetings. Meetings shall be held at such time and place as the Board of Management shall determine.
20. The MDU shall in each year hold a general meeting as its annual general meeting in addition to other meetings in that year and shall specify the meeting as such in the notices calling it. Not more than 15 months shall elapse between the date of one annual general meeting and the next.
21. The Board of Management may call a special meeting whenever it thinks fit and on a members' requisition pursuant to the provisions of the Act shall forthwith proceed to call a special meeting for a date not later than ten weeks after receipt of the requisition.

NOTICE OF GENERAL MEETINGS

22. An annual general meeting and a special meeting shall be called by at least 42 days' notice. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted. Subject to the provisions of the Articles the notice shall be given to all members and to the members of the Board of Management and the auditors.

23. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person or group entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

24. No business shall be transacted at any meeting unless a quorum is present. Ten persons entitled to vote upon the business to be transacted and present in person or by proxy shall be a quorum.

25. If such a quorum is not present within half an hour from the time appointed for the meeting or if during a meeting such a quorum ceases to be present the meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the Board of Management may determine.

26. The Chairman or in his absence the Vice-Chairman, shall preside as chairman of the meeting but if neither the Chairman nor the Vice-Chairman be present within 15 minutes after the time appointed for holding the meeting and willing to act such other member of the Board of Management elected under Article 42(a) below as the Board may from time to time determine shall preside as chairman of the meeting.

27. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for more than 14 days at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

28. A resolution put to the vote of a meeting shall be decided on

a show of hands unless before or on the declaration of the result of the show of hands a poll is duly demanded. A poll may be demanded:

(a) by the chairman; or (b) by at least 25 members having the right to vote at the meeting; and a demand by a person as proxy for a member shall be the same as a demand by the member.

29. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the books of the proceedings of the MDU shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
30. The demand for a poll may before the poll is taken be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
31. If a poll is duly demanded it shall be taken as provided in Article 32 and the chairman may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
32. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

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

38.

VOTES OF MEMBERS

34. On a show of hands every member present in person shall have one vote. On a poll every member present in person or by proxy shall have one vote. In the case of an equality of votes, whether on a show of hands, or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
35. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver curator bonis or other person may on a poll, vote by proxy. Evidence to the satisfaction of the Board of Management of the authority of the person claiming to exercise the right to vote shall be deposited at the registered office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
36. No person shall be appointed a proxy who is not a member and entitled to vote at the meeting or adjourned meeting for which the proxy is given.
37. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

39.

38. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board of Management may approve)—

"The Medical Defence Union Limited

I/We,....., of.....

being a member/members of the above-named MDU hereby appoint

of.....

or failing him,.....

of.....

as my/our proxy to vote in my/our name(s) and on my/our behalf at the annual/special meeting of the MDU to be held on.....

.....19.....

and at any adjournment thereof.

Signed on.....19....."

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

"The Medical Defence Union Limited

I/We,....., of.....

being a member/members of the above-named MDU hereby appoint

of.....

or failing him,.....

of.....

as my /our proxy to vote in my/our name(s) and on my/our behalf at the annual/special meeting of the MDU to be held on.....

.....19.....

and at any adjournment thereof.

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

Resolution No.1 *for *against

Resolution No.2 *for *against

*Strike out whichever is not desired.

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

Signed this.....day of.....19....."

42.

(a)

(b)

(c)

40.

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board of Management may—

(a)

be deposited at the registered office of the MDU not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b)

in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for taking the poll; or

(c)

where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Company Secretary or to any member of the Board of Management;

43.

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

41.

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

THE BOARD OF MANAGEMENT

42. The Board of Management of the MDU shall consist of the following:

- (a) Not fewer than eight nor more than 11 elected members of the MDU who hold no post under sub-paragraph (c) below.
- (b) Not fewer than two nor more than five elected persons who are not required to be members of the MDU.
- (c) Subject to the provisions of Article 51 the holders of the following posts:
 - (i) Chief Executive
 - (ii) General Manager — Professional Services
 - (iii) General Manager — Operations
 - (iv) General Manager — Finance

provided that the approval of the majority of those elected under sub-paragraph (a) and (b) above shall be required before any successor to those initially appointed under the terms of this sub-paragraph (c) shall become members of the Board of Management.

THE POWERS OF THE BOARD OF MANAGEMENT

43. Subject to the provisions of the Act the Memorandum and the Articles and to any directions given by special resolution the management of the affairs and the control of the MDU shall be vested in the Board of Management which may exercise all the powers of the MDU. No alterations of the Memorandum or Articles and no such direction shall invalidate any prior act of the Board of Management which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board of Management by the Articles and a meeting of the Board of Management at which a quorum is present may exercise all powers exercisable by the Board of Management including the making of such Standing Orders of the Board of Management as to any matter within the powers of the

Board of Management and their exercise as to the Board of Management may from time to time seem fit.

44. (1)

The members of the Board of Management defined in Article 42(a) and (b) shall have power on such terms as to them may seem fit to appoint and determine the appointment of the Chief Executive provided that the exercise of such power shall not deprive the Chief Executive of any compensation or damages payable to him in respect of the termination of his appointment.

(2)

The members of the Board of Management defined in Article 42(a) and (b) acting together with the Chief Executive shall have power on such terms as to them may seem fit to appoint and determine the appointment of the holders of the other posts defined in Article 42(c) provided that the exercise of such power shall not deprive any such person of any compensation or damages payable to him in respect of the termination of his appointment.

45.

The Board of Management may, by power of attorney or otherwise appoint any person to be the agent of the MDU for such purposes and on such conditions as it determines including authority for the agent to delegate all or any of his powers.

46.

The Board of Management may delegate any of its powers to any committee or sub-committee. It may also delegate to any member of the Board of Management or employee or agent such of its powers as it considers desirable to be exercised by such person. Any such delegation may be made subject to any conditions the Board of Management may impose and either collaterally with or to the exclusion of its own powers and may be revoked or altered.

47.

The Board of Management or any member of the Board of Management or employee or agent or committee of the MDU authorised by the Board of Management for the purpose may subject to the limits of any such authority give advice or legal assistance or defend or take part in advising, assisting or defending in respect of any matter cause or pro-

ceeding, concerning or affecting whether directly or indirectly the professional character or interests or conduct in a professional capacity of any member, any applicant for election to membership, any former member, or any deceased member (who was at the date of his death a member or who was not at the date of his death a member but had formerly been a member and had ceased to be such) or in respect of any matter cause or proceeding which raises directly or indirectly a question of professional principle;

provided that:

- (1) The Board of Management or such member of the Board of Management or employee or agent or committee shall be satisfied that in a case involving a member, applicant for election to membership, former member or deceased member the matter originated or the cause or proceedings arose during the period when the person concerned was a member of the MDU or an applicant for election to membership.
- (2) If the Board of Management or such member of the Board of Management or employee or agent or committee decides to act in accordance with this Article the person making a request that it do so shall abide absolutely by every decision of the Board of Management or any such member of the Board of Management or employee or agent or committee on the conduct or defence of the matter and shall not himself without prior consent of the Board of Management or any such member of the Board of Management or employee or agent or committee take any steps with reference to such matter or the determination thereof.

For the purpose of proviso (1) in the case of an application by a former member for reinstatement on the Register or for restoration of a licence or entitlement to practise or the lifting of a suspension the matter shall be deemed to have originated immediately before the date upon which his name was erased from the Register or his licence or entitlement to practise was withdrawn or cancelled or upon which his registration in the Register licence or entitlement was suspended as the case may be.

48. (1) The Board of Management or any member of the Board of Management or employee or agent or committee of the MDU authorised by the Board of Management for the purpose may subject to the limits of any such authority and sub-paragraph (3) of this Article, and subject also to the like conditions as are specified in the provisos of the preceding Article, grant from the funds of the MDU to any member or any applicant for election to membership or former member or the personal representatives of any deceased member an indemnity wholly or in part with regard to any action proceeding claims or demands by or against them in respect of any matter concerning or affecting whether directly or indirectly the professional character or interests or conduct in a professional capacity of any such member applicant for election to membership or former member or deceased member as the case may be or which raises directly or indirectly a question of professional principle and such indemnity may extend to all incidental or consequential losses, damages, costs, charges and expenses but excluding fines and penalties.
- (2) The Board of Management or any authorised committee or agent may determine any such indemnity at any time by notice in writing to the member or applicant for election to membership or former member (or if the member, applicant or former member dies subsequent to the granting of the indemnity his personal representatives) or the personal representatives of the former member concerned as the case may be.
- (3) Any such indemnity may be granted or determined by resolution of the Board of Management or any authorised committee or decision of any authorised agent and the grant of indemnity in every case shall be made only upon such terms and conditions as the Board of Management committee or agent shall think proper and it shall rest only in the absolute discretion of the Board of Management committee or agent in every case to limit or restrict the grant of such indemnity or altogether to decline to grant the same or to determine any indemnity so granted without assigning any reason.

49. The Board of Management or any committee of the Board of Management authorised for that purpose may:

- (a) appoint one or more arbitrators or umpires either from its own body or from among the members of the MDU or otherwise for the settlement of difficulties and disputes in which matters concerning the medical, dental or allied professions arise or in which any member of the MDU may be concerned.
- (b) request anyone of its own body or any member of the MDU to give his professional services or to render any special services for the MDU or for any member or members.
- (c) authorise payment out of the funds of the MDU to any person so appointed or requested of such special remuneration as it shall think fit and any such person or any member of the Board of Management or the MDU who performs any special services for a member without being so requested by the Board of Management or any such committee shall be entitled to retain for his own benefit any fees or endowments paid to him by any other person notwithstanding that the other person may have received them in the first instance out of the funds of the MDU.

50. The Board of Management may enter into or authorise the making of such contracts and do or authorise the doing of all such acts or things as it may deem expedient for the purposes of the MDU.

APPOINTMENT AND RETIREMENT OF THE MEMBERS OF THE BOARD OF MANAGEMENT

51. (1) At each annual general meeting the following members of the Board of Management shall retire from office but shall (subject as hereinafter provided) be eligible for re-election:

- (a) three of the members defined in Article 42(a)
- (b) one of the members defined in Article 42(b)
- (c) one of the members defined in Article 42(c)

provided always that no member of the Board of Management shall serve for more than three years without re-election.

52. The members of the Board of Management who are to retire from office as provided in Article 51 shall be selected by the Board of Management in such manner as the Board of Management shall determine and the names of such retiring members shall be stated in the Notice convening each annual general meeting.
53. If the MDU, at the meeting at which a member of the Board of Management retires does not fill the vacancy the retiring member shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the member is put to the meeting and lost.
54. No person other than a retiring member of the Board of Management shall be elected to membership of the Board of Management at an annual general meeting unless—
- (a) he is recommended by the Board of Management; or
 - (b) not less than 21 nor more than 35 clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the MDU of the intention to propose that person for election together with notice executed by that person of his willingness to be elected.
55. Not less than seven nor more than 28 clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a retiring member) who is recommended by the Board of Management for election as a member of the Board of Management at the meeting or in respect of whom notice has been duly given to the MDU of the intention to propose him at the meeting for election as a member of the Board of Management.

56.

Subject as aforesaid the MDU may by ordinary resolution appoint a person who is willing to act to be a member of the Board of Management either to fill a vacancy or as an additional member.

57.

The Board of Management may appoint a person who is willing to act to be a member of the Board of Management either to fill a vacancy or as an additional member, provided that the appointment does not cause the number of members of the Board of Management to exceed any number fixed by or in accordance with the Articles as the maximum number of members. A person so appointed shall hold office only until the next following annual general meeting. If not elected at such annual general meeting, he shall vacate office at the conclusion thereof.

58.

Subject as aforesaid a member of the Board of Management who retires at an annual general meeting may, if willing to act, be re-elected. If he is not re-elected, he shall retain office as such until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

59.

At the conclusion of each annual general meeting all the members of the Council of the MDU for the time being shall retire but shall be eligible for re-appointment under Article 60.

60.

As soon as may be after the annual general meeting in each year, the members of the Board of Management shall meet and shall appoint from those of them who have been elected under Article 42(a) above a Chairman and a Vice-Chairman of the Board of Management. At that meeting the Board of Management shall also appoint as many persons to be members of the Council as the Board of Management may from time to time select. The President and Vice-President of the Council shall be appointed from those who have been elected to the Board under Article 42(a). The Council shall act as a forum for discussion and analysis of professional, scientific and allied issues referred to it by the Board of Management.

The Chairman and Vice-Chairman of the Board of

Management shall until the appointment of their successors continue to exercise the duties of their respective offices.

DISQUALIFICATION AND REMOVAL OF THE MEMBERS OF
THE BOARD OF MANAGEMENT COUNCIL AND COMMITTEES

62. A member of the Board of Management shall vacate his office as such:
- (a) if he ceases to be eligible for such membership by virtue of any provision of the Act or he becomes prohibited by law from being such a member; or
 - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) if he is, or may be, suffering from mental disorder and either—
 - (i) 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
 - (ii) 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; or
 - (d) if he resigns his office by notice to the MDU; or
 - (e) if he shall for more than six consecutive months have been absent without permission of the Board of Management from meetings of the Board of Management held during that period and the Board of Management resolves that his office be vacated; or
 - (f) if being a member of the Board of Management pursuant to Article 42(a) he ceases to be a member of the MDU; or

- (g) at and after any annual general meeting to be held after the annual general meeting held in 1991 at the conclusion of such annual general meeting next succeeding the attainment by him of the age of 70 years; or
 - (h) if being a member of the Board of Management by virtue of his holding one of the posts defined in Article 42(c) he ceases to hold such post; or
 - (i) if the Board of Management so resolves.
63. (a) At and after the annual general meeting to be held in 1992 no person who has attained the age of 70 years shall be eligible for election to the Board of Management unless elected under Article 42(b) and the provisions of Section 293(5) of the Companies Act 1985 (or any statutory modification or re-enactment for the time being in force) have been complied with.
- (b) After the annual general meeting to be held in 1992 no person who has attained the age of 70 years shall be eligible for appointment to the Council.
- (c) After the annual general meeting to be held in 1992 no person who has attained the age of 70 years shall be eligible for appointment to any committee or subcommittee exercising the powers of the Board of Management under Article 46 unless he has been elected to the Board of Management under (a) above.
- (d) Notwithstanding the above provisions of this Article 63 and provided that the Standing Orders of the Board of Management and the provisions of Section 293(5) of the Companies Act 1985 (or any statutory modification or re-enactment for the time being in force) have been complied with, the person who holds the office of Chairman of the Board of Management at the Annual General Meeting to be held in 1994 and at any Annual General Meeting thereafter shall be eligible for re-election to the Board of Management under Article 42(a) despite having attained the age of 70 years, and such a person shall be eligible for appointment to the Council and to any committee or sub-committee exercising the powers of the Board of Management under Article 46.

REMUNERATION AND EXPENSES OF THE MEMBERS OF THE
BOARD OF MANAGEMENT COUNCIL AND COMMITTEES

64. The members of the Board of Management and of committees of the Board of Management and the members of the Council of the MDU appointed in accordance with Article 60 shall be paid by the MDU such reasonable travelling, hotel and other expenses as they may incur in attending or returning from meetings of the MDU or of the Board of Management or of the Council or of committees of the Board of Management or of the Council as the case may be or which they may otherwise incur in or about the affairs of the MDU. The members of the Board of Management and of the committees of the Board of Management and of the Council of the MDU may also be paid out of the funds of the MDU by way of remuneration at such rates as may from time to time be determined by the Board of Management.

APPOINTMENTS AND INTERESTS OF MEMBERS OF THE BOARD
OF MANAGEMENT

65. Subject to the provisions of the Act, and provided that he has disclosed to the Board of Management the nature and extent of any material interests of his, a member of the Board of Management notwithstanding his office—
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the MDU or in which the MDU is otherwise interested;
 - (b) may be a member director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the MDU or in which the MDU is otherwise interested; and
 - (c) shall not, by reason of his office, be accountable to the MDU for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

66. For the purposes of Article 65—

- (a) a general notice given to the Board of Management that a member of the Board of Management is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the member of the Board of Management has an interest in such transaction of the nature and extent so specified; and
- (b) an interest of which a member of the Board of Management has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

GRATUITIES AND PENSIONS

67. The Board of Management may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any person who has held but no longer holds any employment with the MDU whether before or after his death, and for any member of his family (including a spouse and/or a former spouse) and/or any person who is or was dependent on him, and may (as well before as after he ceases to be so employed) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF THE BOARD OF MANAGEMENT

68. Subject to the provisions of the Articles the Board of Management may regulate its proceedings as it thinks fit. Any three members of the Board of Management elected under Article 42(2) above may and the Chief Executive at the request of such members shall call a meeting of the Board of Management. Questions arising at a meeting shall be decided by a simple majority of votes of those attending and voting. In the case of an equality of votes the chairman shall have a second or casting vote.
69. The quorum for transaction of the business of the Board of

Management may be fixed by the Board of Management and unless so fixed at any other number shall be eight of whom at least two shall be members elected in accordance with Article 42(a) above.

70. The continuing members of the Board of Management may act notwithstanding any vacancies in their number but if the number of members is less than the number fixed as a quorum the continuing members may act only for the purpose of filling vacancies or of calling a general meeting.
71. The Chairman of the Board of Management shall preside at the meetings of the Board of Management. In his absence, the chairman shall be the Vice-Chairman of the Board of Management and in his absence shall be such member of the Board of Management elected under Article 42(a) above as the Board of Management may from time to time determine.
72. All acts done at any meeting of the Board of Management or committee of the Board of Management or by any persons acting as members of the Board of Management shall notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of any such members of the Board of Management or committee or persons acting as aforesaid, or any of them, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified and had continued to be a member of the Board of Management and had been entitled to vote.
73. A resolution in writing signed by all the members of the Board of Management entitled to receive notice of a meeting of the Board of Management shall be as valid and effectual as if it had been passed at a meeting of the Board of Management duly convened and held and may consist of several documents in the like form each signed by one or more members of the Board of Management.
74. Save as otherwise provided by the Articles, a member of the Board of Management shall not vote at a meeting of the Board of Management on any resolution concerning a matter

in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the MDU unless his interest or duty arises only because the case falls within one or more of the following paragraphs—

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the MDU;
- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the MDU for which the member has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any debenture of the MDU or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such debentures, by the MDU for subscription, purchase or exchange;
- (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this Article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the MDU), connected with a member shall be treated as an interest of the member.

- 75. A member of the Board of Management shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 76. The MDU may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a member of the Board of Management from voting at a meeting of the Board of Management.

77. If a question arises at a meeting of the Board of Management as to the right of a member to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any member other than himself shall be final and conclusive.

COMPANY SECRETARY

78. Subject to the provisions of the Act the Company Secretary shall be appointed by the Board of Management for such term, at such remuneration and upon such conditions as it may think fit; and any Company Secretary may be removed by the Board of Management.

MINUTES

79. The Board of Management shall cause minutes to be made in books kept for the purpose:
- (a) of all appointments of the Chairman, Vice-Chairman, members of the Board of Management, of Council and of committees; and
 - (b) of all proceedings at meetings of the MDU, of the Board of Management, of the Council and of committees including the names of those present at such meetings.

THE SEAL

80. The seal shall only be used by the authority of the Board of Management or of a committee of the Board of Management authorised by the Board of Management. Any instrument to which the seal is affixed shall be signed by two persons out of the Chairman, Vice-Chairman, members of the Board of Management defined in Article 42(c) and the Company Secretary unless the Board of Management otherwise determines.

ACCOUNTS

81. The books of account shall be kept at the registered office of the MDU or at such other place or places as the Board of

Management thinks fit and shall always be open to the inspection of the Board of Management.

82. The Board of Management shall from time to time determine whether and to what extent and at what time and places and under what conditions and regulations the accounts and books of the MDU or any of them shall be open to the inspection of any member who is not a member of the Board of Management and any such member shall not have any right of inspecting any account or book or document of the MDU except as conferred by statute or authorised by the Board of Management or by the MDU in general meeting.
83. It shall be the responsibility of the Board of Management to cause the MDU to keep lay and deliver accounting records and accounts of the MDU and to report thereon in accordance with the provisions of the Act (the members of the Board of Management for the time being treated as the directors mentioned in those provisions).
84. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Board of Management need not be in writing.
85. The MDU may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at the address registered from time to time in accordance with Articles 7 and 9 or by leaving it at that address. If no such address is registered the member shall not be entitled to be served with any notice.
86. A member present, either in person or by proxy, at any meeting of the MDU shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
87. Proof that an envelope containing a notice was properly addressed prepaid and posted on a certain date shall be sufficient to prove that the notice was given and posted and a certificate in writing signed by the Company Secretary or other official of the MDU that the envelope containing the notice

was so addressed, prepaid and posted shall be conclusive evidence thereof. A notice shall be deemed to have been given:

- (a) where it is addressed to an address in the United Kingdom at the expiration of 48 hours after it was posted;
- (b) in any other case at the expiration of seven days after it was posted.

INDEMNITY

88. Subject to the provisions of the Act but without prejudice to any indemnity to which any member of the Board of Management may otherwise be entitled, every member of the Board of Management or officer of the MDU shall be indemnified out of the assets of the MDU against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with which any application for relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the MDU.

89. The Board of Management may from time to time purchase and maintain in force insurance, at the expense of the MDU, for the benefit of any member of the Board of Management, manager or other officer of the MDU or of any company which is a subsidiary of the MDU against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as a member of the Board of Management, manager or officer.

The foregoing are the Memorandum and Articles of Association of The Medical Defence Union Limited as last amended by Special Resolutions duly adopted at an Annual General Meeting held on the 20th July 1993, in accordance with the provisions of the Companies Acts.