

**BYLAWS**  
**of**  
**Medmarc Mutual Insurance Company**

**I. INTERPRETATION**

1.01 Definitions

In these Bylaws, unless there is something in the subject or context therewith:

“Board” means the Board of Directors of the Company.

“Commencement Date” means the day on which the Company shall be entitled to commence insuring Members.

“Company” means Medmarc Mutual Insurance Company.

“Directors” means members of the Board.

“Fiscal Year” means the period defined in Section 9.01 of these Bylaws.

“Insurance” means products-completed operations liability coverage issued by the Company or a subsidiary of the Company to a Member

“Members” means all persons who, at any stated time, are then members of the Company.

“Membership” means all the rights, privileges, duties and obligations of a Member.

“Minute Book” means the compilation of minutes maintained at the Company’s principal office for the purpose of preserving a record of all actions taken by the Members, the Board and each of the Committees of the Board.

“Month” means calendar month.

“Notice” means written notice unless otherwise specifically stated.

“Persons” shall also include companies, partnerships or associations or bodies of persons, whether corporate or unincorporated.

“Policy” means the contract for insurance issued to Members of the Company.

“Premium” shall mean the premium paid or payable by a Member to the Company for insurance coverage provided directly or indirectly by the Company to the Member.

“Register of Members” means the records maintained in the Company’s policy administration system for policyholders who are identified as Members with an in-force policy, which shall include the name and address of each Member.

“Secretary” means the person appointed to perform the duties of the Secretary of the Company and includes any Assistant or Recording Secretary.

“Seal” means the Common Seal of the Company.

## 1.02 Interpretation

In interpreting these Bylaws, the following rules of interpretation shall be followed:

“May” shall be construed as permissive.

“Shall” shall be construed as imperative.

Words importing only the singular number shall also include the plural number and vice versa.

Words importing only the masculine gender shall also include the feminine gender.

“In writing” and “written” shall also include printing, lithography, photography, photocopying, electronic and other modes of representing or reproducing works in visible form.

## II. MEMBERSHIP

### 2.01 Number of Members

The Company shall consist of an unlimited number of Members.

### 2.02 Members

Any person may become a Member who:

- A. is engaged in the manufacturing, distribution or conducting clinical trials of medical and healthcare devices or scientific products in the United States; and
- B. is insured or reinsured by the Company or by a subsidiary of the Company, provided the Premium due for such insurance coverage has been paid; and
- C. meets any further criteria or requirements that the Board may from time to time establish.

### 2.03 Membership

Membership of all Members shall become effective upon such terms and conditions, and at such times, as the Board shall from time to time determine. Membership of a person who qualifies as a Member pursuant to Bylaw 2.02, shall be effective for all purposes immediately upon its acceptance of insurance or reinsurance coverage by the Company or one of its subsidiaries.

### 2.04 Term

Any person becoming a Member shall continue to be a Member until the Membership has been terminated pursuant to Bylaw 2.06 hereof. Except upon approval of the Directors, membership shall not be transferable or assignable; provided, however, in the event a Member is merged, consolidated or substantially all of its assets are sold to another person or in the event part of its operations insured, directly or indirectly, with the Company are sold or transferred by a Member to another person, the Board, in its discretion, may permit or require the transfer of all or a part of the Member's Membership rights to the successor, purchaser or transferee, if such successor, purchaser or transferee becomes a Member and assumes all or such part of the obligations of its predecessor or transferor.

### 2.05 Liability of Members

The liability of a Member to the Company shall be limited to the Premiums and any self-insured retention or deductible advanced by the Company or any unpaid portion thereof due to the Company (whether directly or indirectly through one or more intermediaries as reinsurance). No Member, in its capacity as such, shall be subject to any liability to the Company, including any dues or assessments. Nothing herein shall affect the liability of any Member to the Company under any policy or contract of insurance.

### 2.06 Termination

Every person who is a Member pursuant to Bylaw 2.02 shall cease to be a Member:

- A. upon ceasing to be an insured of the Company or one of its subsidiaries;
- B. upon ceasing to be indirectly an insured of the Company through reinsurance of its risks with the Company;
- C. upon the vote of 75% of the sitting members of the Board; or
- D. upon the winding up or dissolution of its business.

#### 2.07 Liability Following Termination

The fact that a person ceases to be a Member pursuant to Bylaw 2.06 shall not relieve such Member of any liabilities or obligations to the Company, including (but without limitation) liability under any policy of insurance issued to such Member for the payment of the premiums or the reimbursement of any sums advanced by the Company for any self-insured retentions or deductibles of such Member.

#### 2.08 Register of Members

The Secretary shall inscribe in the Register of Members the names and addresses of all Members and shall delete therefrom the names of those former Members whose Membership is terminated pursuant to Bylaw 2.06 hereof. The Directors may establish a record date, as of any particular date up to fifty (50) days prior to any meeting of the Members, to determine who shall be entitled to Notice and to vote pursuant to Bylaw 4.02 hereof at such meeting of the Members. The Register of Members shall be conclusive, as of any particular date, or record date if so established, as to the Members entitled to Notice and to vote pursuant to Bylaw 4.02 hereof.

### **III. ANNUAL AND SPECIAL MEETINGS**

#### 3.01 Annual Meeting

An Annual Meeting of the Members of the Company shall be held on a date as shall be designated by the Board of Directors.

#### 3.02 Notice of Annual Meeting

Notice of Annual Meetings of the Company shall be given by the President, or any Vice President or the Secretary of the Company, to each Member as shown in the Register of Members. All such Notices shall be given not less than ten (10) days nor more than sixty (60) days before the meeting is to convene, stating the date, place and time of the meeting. All such Notices shall be given in the manner set forth in Bylaw 11.01.

#### 3.03 Special Meeting

The Board, the Chairman of the Board or the President may convene, and the Company shall convene if the Board, the Chairman of the Board, the President, any Vice President or the Secretary is so requested by Members holding not less than ten percent (10%) of the total voting rights in the Company, a Special Meeting upon the giving of at least ten (10) days Notice to each Member as shown in the Register of Members. Such Notice shall state the time, place and business to be transacted at such meeting.

### 3.04 Validity of Meetings Held Without Written Notice

Except as otherwise provided in these Bylaws, an Annual or Special Meeting of the Members may be duly held without Notice, if all Members entitled to attend and vote thereat are present or represented by written proxy. A waiver in writing of any Notice, signed by a Member, whether before or after the time of the meeting, shall be deemed equivalent to the giving of Notice to such Member.

### 3.05 Power to Adjourn Meetings

The Chairman of an Annual or Special Meeting of the Members, or of a meeting of the Board, or of a duly constituted committee of the Board, may with the consent of those present, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting for which the adjournment took place.

## **IV. VOTING AT MEETINGS**

### 4.01 Quorum

Members present in person or by proxy shall constitute a quorum at any Annual or Special Meeting of the Members. All votes at any such meeting may be given in person or by proxy.

### 4.02 Voting Rights

Subject to the provisions of these Bylaws, at any Annual or Special Meeting of the Company, each person who is a Member pursuant to Bylaw 2.02 shall be entitled to one vote.

### 4.03 Appointment of Proxy

- A. An instrument appointing a proxy shall be in writing and shall be executed on behalf of the Member by an employee or other duly authorized representative of the Member. The instrument appointing a proxy shall be in the form as the Board may from time to time determine.
- B. The instrument appointing a proxy shall be left with the Secretary before the meeting at which the person named in such instrument proposes to vote.

### 4.04 Mode of Determining Questions

Except as otherwise provided by law, all questions proposed for consideration by the Members at any meeting of the Members shall be determined by a majority of the outstanding votes present or represented by proxy. All questions shall be decided by open voting, unless a ballot is demanded by at least a majority of the Members'

outstanding votes present or represented by proxy at such meeting. Unless a matter is determined by ballot, a declaration by the Chairman of that meeting that a resolution has been carried and an entry made to that effect in the minutes of the meeting shall be sufficient evidence of the fact. In case of an equality of votes, the motion shall be lost.

## **V. DIRECTORS**

### **5.01 Qualifications of Directors**

The management of the Company shall be vested in a Board of Directors. The Members of the Company shall elect the Directors at the Annual Meeting of the Members. The minimum age for a Director shall be eighteen (18) years at the time of election. A majority of Directors holding office at any point in time shall be citizens of and residents of the United States of America.

### **5.02 Number and Apportionment of Directors**

The Board of Directors shall consist of not less than nine (9) and no more than fifteen (15) Directors, the exact number to be determined from time to time by vote of the Board. The President and Chief Executive Officer of the Company shall be a Director.

A Director employed by a Member shall submit a resignation if the Director leaves employment with such Member or if the Director's employer ceases to be a Member of the Company. The Board may accept or reject the resignation.

### **5.03 Term of Office; Election**

The Board of Directors shall be divided into three (3) classes, designated as Class I, Class II and Class III, reflecting expiring terms of office. The term of each Director shall be for three years, provided, however, that one-third of the initial Directors shall be elected for a term of one year, one-third of the initial Directors shall be elected for a term of two years, and one-third of the initial Directors shall be elected for a term of three years. Thereafter, approximately one-third of the Directors shall be elected at each Annual Meeting for a term of three years. Any Director may resign at any time by giving written notice of such resignation to the Chairman of the Board of the Company. Resignations shall be considered at the next regular meeting of the Board of Directors.

### **5.04 General Powers of Company Vested in Board of Directors**

The business of the Company shall be managed under the direction of the Board, which, in addition to the powers and authorities granted by these Bylaws or otherwise expressly conferred upon it, may exercise such powers and do all such acts and things as may be exercised or done by the Company, subject to the provisions of any governing statute, these Bylaws and the Articles of Association.

#### 5.05 Power to Delegate to Committees

The Directors may delegate such powers as are delegable under governing statute, to committees consisting of three or more members of the Board, but every such committee shall conform to such directions as the Directors shall impose on them.

#### 5.06 Filling Vacancies

The Directors shall have the power from time to time and at any time to appoint any qualified person to fill a vacancy on the Board, occurring as the result of the death, disability, resignation, or the removal of any Director. Any Director appointed in this manner shall hold office until the next election of the Directors. The Directors elected at the last Annual or Special meeting may act, notwithstanding any vacancy in their number, unless the number of such Directors has been reduced below the number of nine, in which event the Board must act promptly to fill the vacancy and restore the number of Directors to nine.

#### 5.07 Remuneration of Directors

The remuneration of the Directors of the Company shall from time to time be determined by the Board at any meeting thereof.

#### 5.08 Quorum for, and Manner and Place of, Board of Directors Meetings

A quorum necessary for the transaction of the business of the Board shall be a majority of Directors. The Board of Directors shall hold at least four quarterly meetings per calendar year, either within or without the State of Vermont, at a time and place as shall be designated by the Board of Directors. The Board of Directors may permit any or all Directors to participate in a regular or Special Meeting by, or through the use of, any means of communication, including telephone or video conference call, by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

#### 5.09 Mode of Determining Questions

Questions arising at any meeting of the Board shall be decided by a majority of those present and entitled to vote, except as may be otherwise indicated in these Bylaws. In the case of an equality of votes, the motion shall be lost.

#### 5.10 Procedure to Summon Meeting

The Secretary, upon request of the Chairman, the President, or a majority of the Directors, shall at any time summon a meeting of the Board. At least fifteen (15) days Notice of regular meetings of the Board shall be given to each Director. At least two (2)

business days' Notice of any Special Meeting of the Board shall be given to each Director, stating the date, time, and place of the meeting.

#### 5.11 Meeting Without Notice

Meetings of the Board may be held without Notice if all Directors are present. Any Director may waive call or Notice of any meeting (and any adjournment thereof) at any time before, during, or after it is held. Attendance of a Director at any meeting will automatically evidence his waiver of call or Notice of such meeting (and any adjournments thereof), unless he is attending the meeting for the express purpose of objecting to the transaction of business thereat because it has not been properly called or noticed. No call or Notice of a meeting of Directors will be necessary if each Director waives the same in writing or by attendance as aforesaid. Any meeting, once properly called and noticed (or as to which call and Notice have been waived as aforesaid) and at which a quorum is formed, may be adjourned to another time and place by a majority of those in attendance.

#### 5.12 Consent Resolutions

A resolution in writing signed by each of the Directors which may be in counterparts, shall be as valid and as effectual as if it had been passed by a meeting of the Board duly called and constituted.

#### 5.13 Special Meetings

The Board and any committee of the Board may hold such meetings as are deemed appropriate.

#### 5.14 Removal of Directors

The Members may at any Annual or Special Meeting convened and held in accordance with these Bylaws, remove a Director with or without cause. A vacancy upon the Board created by the removal of a Director under the provision of this Bylaw may be filled by election by the Members at the meeting at which such Director is removed or, in the absence of such election, there will be deemed to be a vacancy which may be filled in accordance with the provisions of Bylaw 5.06.

## **VI. MINUTES**

6.01 The Board shall cause minutes of meetings that refer to the following to be duly entered in the minutes:

A. all elections and appointment of Officers; and

- B. the names of the Directors present at each meeting of the Board and of any committee of the Board; and
- C. all orders made by the Board and committees of the Board; and
- D. all resolutions and proceedings of each Annual, Quarterly or Special Meeting of the Board and meetings of committees of the Board; and
- E. all resolutions in writing signed as provided in Bylaw 5.12.

## **VII. OFFICERS**

### 7.01 Officers

The Officers of the Company shall consist of a Chairman of the Board, a Vice Chairman of the Board, a President and Chief Executive Officer, one or more Vice Presidents, a Secretary, a Treasurer and such other Officers, including Assistant Secretaries and Assistant Treasurers, as the Board may from time to time determine. Any two or more offices may be held by the same person, except the offices of President and Secretary. All Officers of the Company shall hold office at the discretion of the Board.

### 7.02 Time of Selection and Qualifications

The Chairman shall be elected by the Board from among the Directors. The Vice Chairman shall be elected from among the Directors representing Member companies. The Board shall appoint a President and Chief Executive Officer, a Secretary and a Treasurer as soon as possible after each election of Directors or upon the occurrence of a vacancy in one of these offices. Other Officers may be appointed as the Board may from time to time determine. No Officer need be a Director and all Officers shall hold their offices at the pleasure of the Board.

### 7.03 Chairman and Vice Chairman of the Board

Unless absent, the Chairman of the Board shall preside at all meetings of the Board of Directors and all Annual and Special Meetings of the Company. The Chairman shall perform such other duties as may be prescribed by the Board from time to time. If the Chairman is absent, then the Vice Chairman shall preside. In the absence of the Chairman and the Vice Chairman, then a Director chosen by those Directors present shall preside.

### 7.04 President and Chief Executive Officer

The President and Chief Executive Officer shall be subject to the control of the Board, and shall supervise and control all of the business and affairs of the Company. In general, the President and Chief Executive Officer shall perform all duties incident to the

offices of the President and Chief Executive Officer and such other duties as may be prescribed by the Board from time to time.

7.05 Vice Presidents

The Vice Presidents shall have such powers and perform such duties as shall be assigned to or required of them, from time to time, by the Board or the President.

7.06 Secretary and Assistant Secretaries

The Secretary and Assistant Secretaries, if any, shall be appointed by the Board. The Secretary, or if the Secretary is not present, an Assistant or Recording Secretary, shall attend all meetings of the Members and of the Directors to keep correct minutes of such meetings and enter the same in proper books provided for the purpose. Any employee of the Company may act as the Recording Secretary at any meeting of the Members or the Directors in the absence of the Secretary and any Assistant Secretary. The Secretary shall perform such other duties as are prescribed by the Laws of the State of Vermont or these Bylaws of the Company, or as shall be prescribed by the Directors.

7.07 Treasurer and Assistant Treasurers

The Treasurer or an Assistant Treasurer, if there be one, shall keep or cause to be kept full and accurate accounts of the receipts and disbursements, sales and purchases, and assets and liabilities of the Company and shall enter such in proper books provided for the purpose. The Treasurer shall perform such other duties as are prescribed by the laws of the State of Vermont or these Bylaws, or as shall be prescribed by the Directors from time to time.

## **VIII. DISTRIBUTIONS**

8.01 Distribution

The amount and entitlement of Members to any distribution of the Company's earnings or profits, whether in liquidation or otherwise, shall be determined solely by the Board of Directors and any applicable state statute.

## **IX. ACCOUNTS**

9.01 Fiscal Year

The Fiscal Year of the Company shall begin on the first day of January and shall end on the last day of December.

## 9.02 Profits

The net profits of the Company shall be computed in accordance with accounting principles generally accepted in the United States or statutory accounting practices and the disposition of such net profits shall be determined by the Board.

## 9.03 Accounts

- A. The Board shall cause true and complete accounts to be kept of all transactions and of all assets and liabilities of the Company in accordance with accounting principles generally accepted in the United States or statutory accounting practices in effect from time to time. The Board shall also cause such books and records to be kept as are necessary to comply with all requirements of statutes and regulations that are applicable to the Company.
- B. All accounts of the Company shall be maintained in United States dollars.
- C. The books of account shall be kept at the principal office of the Company or at such other place as the Board shall from time to time determine, and shall always be open to inspection.

## **X. AUDIT**

### 10.01 Annual Audit

The Board shall cause the accounts of the Company to be audited at least once in every Fiscal Year by an independent certified public accountant.

### 10.02 Auditor

- A. At any meeting of the Board of Directors, an accounting firm shall be appointed as auditor of the accounts of the Company, and such auditor shall hold office until the Board shall appoint another auditor. No shareholder, partner, director, officer, or employee of the auditor shall be a Director or an Officer of the Company during the auditor's term in office.
- B. The auditor shall make a written report on the financial statement stating whether such statement presents fairly the financial position of the Company and the results of its operations for the period under audit. The auditor's report shall be presented to the Company at the Annual Meeting.
- C. The auditor shall be furnished with a list of all books kept by the Company and shall at all times have the right of access to the books, accounts and vouchers of the Company and shall be entitled to require from the Board such information and explanation as may be necessary for the performance of its duties.

- D. A representative of the auditor shall be entitled to attend any Annual or Special Meeting of the Company at which any accounts which have been examined or reported on by it are to be presented to the Members and to make any statements or explanations with respect to such accounts. Notices of every such meeting shall be given to the auditor in the manner prescribed for Members.
- E. The auditor shall prepare such annual reports of the Company as may be required by the statutes and regulations of the State of Vermont.

10.03 Remuneration of the Auditors

The remuneration of the auditor shall be fixed or changed from time to time by the Board.

## **XI. NOTICES**

11.01 Mode of Services

A Notice may be given by the Company to any Member or Director, except as otherwise designated in these Bylaws or in any relevant statute, personally, by mail, or electronic mail. Any Notice by mail shall be given by sending it by first class U.S. mail, postage prepaid in an envelope addressed to such Member or Director at his address shown in the Register of Members. Any notice by electronic mail shall be given by sending such notice to the electronic mail address for the Director or Member on file with the Company.

11.02 Notice Deemed Delivered

Any Notice given by mail shall be deemed to have been served five business days after such Notice has been deposited in the mail. It shall be sufficient proof of deposit in the mail that the envelope containing the Notice was properly addressed and postage prepaid at the time it was mailed. Any Notice served by facsimile or electronic mail shall be deemed to have been served on the date subsequent to the date sent.

## **XII. SEAL**

12.01 The Secretary shall provide for the safe custody of the Seal.

## **XIII. INDEMNIFICATION**

13.01 Indemnification of Officers and Directors

- A. The Company shall indemnify its Directors and Officers, and by the affirmative vote of a majority of its Directors, may indemnify its employees and agents, against liability incurred by any of them in their capacity as such, to the full extent permitted by and in accordance with the laws of Vermont, as amended from time to time. Such indemnification shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such persons.
- B. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceedings as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the Director, Officer, employee, or agent to repay such amount. Repayment shall not be required if it is ultimately determined that such person is entitled to be indemnified by the Company as authorized in these Bylaws or otherwise pursuant to the laws of the State of Vermont.

#### **XIV. INDIVIDUAL RESPONSIBILITY OF DIRECTORS**

- 14.01 No Director or Officer of the Company, or a member of any committee appointed by the Directors pursuant to these Bylaws shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other acts in collusion, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person with whom any monies, securities or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default or oversight on the part of the Director or Officer, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of the Director's or Officer's office, unless the same happened through the Director's or Officer's own dishonesty.
- 14.02 The Members agree to waive any claim or right of action which they might have, in their own right or in the right of the Company, against any Director in connection with any action or failure to act in the performance of his duties, except for claims or rights of action arising from gross negligence, willful misconduct or fraud by such person, or to recover any gain, personal benefit or advantage to which such person is not legally entitled.

#### **XV. REGISTERED OFFICE**

- 15.01 The registered office of the Company shall be situated in Vermont.

## **XVI. ALTERATION OF BYLAWS**

- 16.01 These Bylaws may be revoked, altered, amended or added to from time to time by a majority vote of the Members present in person or by proxy at any Annual or Special Meeting, except that these Bylaws may be revoked, altered, amended or added to by the Directors at any Annual, Quarterly or Special Meeting of the Board as to any provisions which do not impair the Members' rights or enlarge their obligations under insurance policies.

## **XVII. ALTERATION OF ARTICLES OF ASSOCIATION**

- 17.01 The Articles of Association of the Company may be altered, amended or added to from time to time by a three-fourths vote of the Members present in person or by proxy at any Annual or Special Meeting called by the President or Secretary.

Adopted November 21, 1991  
Amended May 19, 1995  
Amended November 10, 1995  
Amended May 17, 1996  
Amended May 7, 1999  
Amended May 17, 2002  
Amended March 19, 2004  
Amended March 19, 2010  
Amended June 16, 2011