

THE COMPETITION AUTHORITY

and

IRISH MEDICAL ORGANISATION

Terms of Settlement

This Settlement Agreement is made by and between the Competition Authority and the Irish Medical Organisation on the date set forth below. The Competition Authority and Irish Medical Organisation are referred to collectively herein as the "Parties".

WHEREAS:

- A. In February 2005 the Competition Authority commenced an investigation into allegations of price fixing by the Irish Medical Organisation ("the IMO"). The Competition Authority's concern arose in relation to communications from the IMO to its GP members relating to increasing the price of certain services provided by GPs to life insurance companies, namely Private Medical Attendant's Reports (PMARs) and medical examinations and the withdrawal of those services from, life insurance companies who did not pay the increased fees.
- B. The Competition Authority carried out an investigation as to whether or not the IMO had acted in breach of section 4(1) of the Competition Act 2002 ("the Competition Act").
- C. Arising from that investigation, on 3rd July 2006, the Competition Authority initiated proceedings in the High Court against the IMO claiming that the IMO's conduct had as its *object* the prevention, restriction or distortion of competition in the market for medical information provided to life insurance companies and/or had as its *effect* the prevention, restriction or distortion of competition in the market for medical information provided to life insurance companies and the downstream market for life insurance and seeking the following reliefs:
 - a. A declaration that the IMO's conduct was in breach of the Competition Act;

- b. A permanent injunction preventing the IMO from engaging in similar conduct in the future; and
 - c. Costs of the proceedings.
- D. The IMO denies that it has breached section 4 of the Competition Act in the manner alleged in the Statement of Claim or at all and it is agreed that the settlement of these proceedings does not constitute an admission by the IMO that it breached section 4 as alleged or at all or an acknowledgement that the facts set out in the Statement of Claim are true.

THE PARTIES AGREE TO SETTLE THESE PROCEEDINGS ON THE FOLLOWING TERMS:

1. The IMO agrees that it, its servants and agents (including its officers and constituent committees) shall refrain from doing any of the following:
 - (i) issuing any communications to its members that directly or indirectly instruct, recommend, or express an opinion on fees to be charged for services provided to life insurance companies by GPs, including but not limited to PMARs and medical examinations, or otherwise facilitating coordinated behaviour with regards to fees for these services.
 - (ii) issuing any communications to its members that directly or indirectly instruct or recommend to GPs to withhold services from life insurance companies in breach of competition law, or otherwise facilitating coordinated behaviour in breach of competition law regarding the response of GPs to particular proposals on fees to be charged for services provided to life insurance companies by GPs, including but not limited to PMARs and medical examinations.
 - (iii) directly or indirectly discouraging its members from individually negotiating with life insurance companies.
 - (iv) indicating to life insurance companies that its members will refuse to supply services to the life insurance companies if they do not accede to the fee levels and/or increases sought by the IMO.

(v) encouraging, suggesting, advising or otherwise inducing or attempting to induce any third party from engaging in any action that would be prohibited if carried out by the defendant by the terms of this agreement.

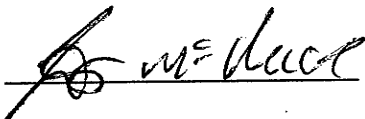
2. This Settlement Agreement shall be and is intended by the Parties to be a binding and enforceable agreement which may be enforced by the Parties by action in any court of competent jurisdiction in the State.
3. The terms of this Settlement Agreement shall be binding on the successors and assigns of the IMO.
4. The terms "and" and "or" as used herein have both conjunctive and disjunctive meanings.
5. This Settlement Agreement shall be governed by and construed in accordance with the laws of Ireland and the courts of Ireland shall have jurisdiction to hear and determine any suit, action or proceedings that may arise out of or in connection with this Settlement Agreement.
6. This Settlement Agreement is in full and final settlement of all claims arising out of the alleged facts and matters pleaded in these proceedings but as recited above does not constitute any admission of a breach of section 4 or of any of the alleged facts..
7.
 1. On the execution of this Settlement Agreement, it is agreed that these proceedings shall, subject to the remaining provisions of this paragraph, be struck out, with costs of the proceedings to the Competition Authority, such costs to be taxed in default of agreement.
 2. A copy of this Settlement Agreement will be handed into Court and the Court shall be invited to receive the Agreement and put the same on the Court file.
 3. In the event that the IMO, its servants or officers, acts in breach of any provision of this Agreement, and in particular any provision of paragraph 1 above, then the Competition Authority shall be at liberty to re-enter the proceedings for the purpose of prosecuting them to judgment or may, at its sole option, take such

action as it may be advised for the purpose of enforcing this Settlement Agreement.

4. Paragraph 7.3 above is strictly without prejudice to the provisions of section 14(2) of the Competition Act.

Dated this 25th day of May 2007, in Dublin Ireland

AGREED TO AND ACCEPTED BY:

Signed: 

(Print Name) GEORGE MCNELIS

(Position) CHIEF EXECUTIVE OFFICER.

For and on behalf of the IMO

Signed: 

(Print Name) DR. STANLEY WONG

(Position) Member

For and on behalf of the Competition Authority