

Articles of association of Council of Bureaux

Table of content

1. DEFINITIONS.....	5
2. NAME, REGISTERED OFFICE AND OFFICIAL LANGUAGE.....	7
2.1. Name	7
2.2. Registered office	7
2.3. Official language	7
3. OBJECT, PURPOSE, ACTIVITIES AND DURATION.....	7
3.1. Object	7
3.2. Purpose	8
3.3. Activities.....	8
3.4. Duration	9
4. MEMBERSHIP	9
4.1. General provisions	9
4.2. Admission procedure	9
5. ADMISSION CRITERIA	9
5.1. Admission criteria for members acting in the capacity of a National Bureau.....	9
5.2. Admission criteria for members acting in the capacity of a Guarantee Fund and/or Compensation Body	10
5.3. Admission criteria for members acting in the capacity of an Information Centre	11
6. REGIONAL GROUPS	11
7. RIGHTS AND OBLIGATIONS OF MEMBERS	11
7.1. Rights of the members	11
7.2. Obligations of the members	11
8. MEASURES AND SANCTIONS.....	12
8.1. Events of default	12
8.2. Powers of the General Assembly and procedure regarding measures and sanctions.....	12

8.3. Powers of the Supervisory Board and the Monitoring Committee regarding measures and sanctions	13
9. TERMINATION OR TRANSFER OF MEMBERSHIP.....	13
9.1. Termination	13
9.2. Resignation	13
9.3. Transfer of membership	14
10. GENERAL ASSEMBLY	14
10.1. Composition and structure	14
10.2. Powers of the General Assembly.....	14
10.3. Convocation notices	16
10.4. Decision making.....	16
10.5. Voting rights at the General Assembly	17
10.6. Minutes	18
11. SUPERVISORY BOARD	18
11.1. Powers.....	18
11.2. Composition	19
11.3. Election and dismissal of the additional members of the Supervisory Board.....	20
11.4. Meetings	20
11.5. Quorum and majority	21
11.6. Voting.....	21
11.7. Written resolutions and minutes.....	22
12. PRESIDENTIAL COLLEGE	22
12.1. President	22
12.2. Vice-Presidents	23
12.3. Appointment of the Presidential College.....	23
12.4. Expenses.....	24
13. MANAGING DIRECTOR	24
13.1. Appointment and powers of Managing Director.....	24

13.2.Advisory Board.....	25
14. COMMITTEES	25
15. FINANCIAL YEAR, FUNDING, BUDGET, EXPENSES, ACCOUNTS AND AUDITOR.....	26
15.1.Financial year	26
15.2.Funding.....	26
15.3.Budget	26
15.4.Expenses.....	26
15.5.Accounts.....	27
15.6.Auditor	27
16. DISSOLUTION AND LIQUIDATION	27
17. GOVERNING LAW	27

1. DEFINITIONS

In these articles of association, the following expressions have the following meanings:

<i>Association</i>	“Council of Bureaux”, abbreviated “CoB”, an international non-profit-making association organised under the laws of Belgium;
<i>Compensation Body</i>	an entity existing and organised in accordance with European Union law, responsible for providing compensation, under certain circumstances, to injured parties residing in a state of the European Economic Area in respect of any loss or injury resulting from accidents, as defined by European Union Law, occurring in any state of the Green Card system, but other than the state of residence of the injured party and caused by vehicles normally based in a state of the European Economic Area;
<i>European Legislation Protection of Visitors pillar</i>	the system of cooperation between Compensation Bodies and Guarantee Funds, mainly based on European Union law and on the GF/CB Agreement, within the context of the Association and in view of the realisation of its object, purpose and activities, as well as all matters relating to this cooperation;
<i>Financial Guarantees Criteria</i>	the list of financial guarantees criteria, set out in the Standard Operating Procedures, as amended from time to time;
<i>GF/CB Agreement</i>	the agreement between Compensation Bodies and Guarantee Funds, concluded on 29 April 2002, as amended from time to time;
<i>Green Card</i>	the international certificate of motor insurance conforming to any of the models approved by the Council of Bureaux;
<i>Green Card pillar</i>	the system of cooperation between National Bureaux within the context of the Association and in view of the realisation of its object, purpose and activities, as well as all matters relating to this cooperation;
<i>Green Card System</i>	the international MTPL insurance system, based on Recommendation No 5;
<i>Guarantee Fund</i>	an entity existing and organised in accordance with European Union law, operating in each state of the European Economic Area, responsible for providing, amongst other things, compensation for damage caused by an unidentified vehicle or a vehicle for which no MTPL insurance has been taken out;
<i>IC Agreement</i>	the agreement, concluded on 4 th November 2010, on the exchange of information between Information Centres under

	article 23 of the Motor Insurance Directive, as amended from time to time;
IC Matters	the matters relating to the IC Agreement and cooperation between members acting in the capacity of an Information Centre;
Information Centre	an entity responsible for providing information to injured parties of road traffic accidents enabling them to identify the insurer of the vehicle involved in the accident and, where applicable, to identify the claims representatives of insurers;
Internal Regulations	a set of private internal rules adopted by the Association in accordance with Recommendation No 5, providing for settlement of claims, payment of compensation, reimbursement and guarantees between the National Bureaux, as amended from time to time;
Member Placed Under Monitoring	a member in relation to which the General Assembly explicitly decided to place it under monitoring, which implies a regular follow-up by the Monitoring Committee and in relation to which a number of measures in accordance with clause 4.4.3 of the Standard Operating Procedures have been imposed;
Motor Insurance Directive	Directive 2009/103/EC of the European Parliament and of the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability, as amended from time to time;
MTPL	motor third party liability;
Multilateral Agreement	the agreement between the National Bureaux of the Member States of the European Economic Area and other Associate States, concluded on 29 May 2008, as amended from time to time;
National Bureau	a professional organisation, which is constituted in the state of its establishment pursuant to Recommendation No 5 and pursuant to national laws on MTPL, and that groups insurance undertakings which are authorised to conduct MTPL insurance business in the state of the National Bureau;
Principal Working Party of the UNECE	as referred to in Recommendation No 5;
Recommendation No 5	Recommendation No 5 adopted on 25 January 1949 by the Working Party on Road Transport of the Inland Transport Committee of the European Economic Commission of the

United Nations, superseded by Annex 1 of the Revised Consolidated Resolution on the Facilitation of Road Transport (R.E.4) adopted by the Inland Transport Committee at the sixty-sixth session which was held from 17 to 19 February 2004;

Standard Operating Procedures

the internal rules adopted by the General Assembly, in accordance with Clause 10.2.1(m), containing detailed regulation and/or clarification of certain aspects of the conduct, operation and management of the Association and relations between the members, as amended from time to time.

2. NAME, REGISTERED OFFICE AND OFFICIAL LANGUAGE

2.1. Name

2.1.1 The Association is registered under the name “Council of Bureaux”, abbreviated “CoB”. The Association is incorporated as an international non-profit association with an unlimited duration organised under the laws of Belgium.

2.1.2 The General Assembly has the power to determine a brand name other than the official name, under which the Association may perform its activities.

2.2. Registered office

2.2.1 The registered office of the Association is established at Avenue Louise, 166, 1st floor, 1050 Brussels (Belgium).

2.2.2 The registered office may be transferred to any other location within the Brussels Region by decision of the Supervisory Board, subject to the application of the applicable laws on the use of languages. Any such decision needs to be published in the Annexes to the Belgian Official Journal.

2.3. Official language

2.3.1 The official language of the Association for Belgian legal purposes is French. English is the working language of the Association and will be used for all internal and external communication, with the exception of those documents that need to be drafted in French for Belgian legal purposes.

2.3.2 The authentic text for the interpretation of these articles of association shall be the French version of these articles of association.

3. OBJECT, PURPOSE, ACTIVITIES AND DURATION

3.1. Object

3.1.1 As an international non-profit association with an international purpose, the Association is a non-commercial and non-political association that aims at facilitating cross-border road traffic and that acts for the protection of cross-border road traffic victims. In this context, the Association observes the interests of (i) National Bureaux, (ii) Compensation Bodies, (iii) Guarantee Funds, (iv)

Information Centres, as well as (v) injured parties involved in cross-border road traffic accidents and (vi) MTPL insurers and their insured persons and/or policyholders.

- 3.1.2 The activities of the Association are limited to non-profit activities as stipulated in these articles of association. The Association's activities are for the common good of the members and stakeholders and are not pursued for the purpose of profit making or granting material or commercial advantages to the members. The Association's financial means may only be used for the object, purpose and activities as stipulated in these articles of association.

3.2. Purpose

- 3.2.1 The purpose of the Association is to coordinate the activities and cooperation between National Bureaux, Compensation Bodies, Guarantee Funds and Information Centres in the framework of agreements and regulatory texts adopted within the Association or between its members to ensure the successful implementation of:

- (a) Recommendation No 5; and
- (b) the Motor Insurance Directive.

- 3.2.2 In addition, the purpose of the Association is to facilitate, through its members, the settlement of claims arising from cross-border road traffic accidents.

3.3. Activities

The Association may, amongst other things, perform the following activities:

- (a) administering and operating the Green Card System, under the aegis of the Principal Working Party of the UNECE, and maintaining a close liaison with the latter or any other competent body on matters or initiatives which might be relevant to the operation of the Green Card System and dealing with matters raised by such bodies;
- (b) taking all necessary measures or initiatives to facilitate the successful implementation of Recommendation No 5;
- (c) stimulating and supporting the smooth cooperation between Compensation Bodies, Guarantee Funds and Information Centres within the framework of European Union Law, and more particularly within the framework of the Motor Insurance Directive;
- (d) ensuring the compliance with the different agreements and regulatory texts adopted within the Association with the purpose of providing protection to injured parties of cross-border road traffic accidents;
- (e) cooperating with external stakeholders within the framework of MTPL insurance and the handling of claims in relation to cross-border road traffic accidents;
- (f) supporting and coordinating the intervention mechanisms, if available, provided for in case of insolvency of insurance undertakings active in MTPL insurance;
- (g) advancing and promoting education and research in relation to the Association's object, e.g. by organising seminars or workshops, publishing articles or books, etc.;
- (h) assisting members in obtaining adequate reinsurance for the risks related to their activities within the framework of the purpose and object of the Association; and
- (i) offering other services that aim at enhancing the situation of cross-border road traffic victims.

3.4. Duration

The Association is set up for an unlimited period.

4. MEMBERSHIP

4.1. General provisions

- 4.1.1 The members consist of national entities acting in the capacity of a National Bureau, Compensation Body, Guarantee Fund and/or Information Centre.
- 4.1.2 The organisation of the Association and its members shall be based on two pillars:
 - (a) the Green Card pillar, represented by the members acting in the capacity of a National Bureau; and
 - (b) the European Legislation Protection of Visitors pillar, represented by the members acting in the capacity of a Guarantee Fund and/or Compensation Body.

4.2. Admission procedure

- 4.2.1 Requests for admission as member shall be addressed in writing to the Managing Director, who shall apply the admission procedure as set out in the Standard Operating Procedures. The General Assembly shall take the decision based on the recommendation by the Supervisory Board.
- 4.2.2 The General Assembly shall be exclusively competent to decide on the admission of a candidate member and may reject a request for admission at its discretion.
- 4.2.3 If an existing member wants to be admitted in a different, additional capacity, that member must inform the Managing Director thereof and provide evidence that it complies with the relevant admission criteria set out in clause 5. The request for admission in a different capacity shall be subject to the admission procedure set out in clause 4.2. Upon approval of the admission request by the General Assembly, that member shall, in addition to the rights and obligations it already had as existing member, obtain the rights and be subject to the obligations connected with the additional capacity for which it has been admitted.
- 4.2.4 The Managing Director shall notify the candidate member in writing about the decision of the General Assembly.
- 4.2.5 The Managing Director shall keep the register of members at the Association's registered office. Entry in that register shall be conclusive evidence that any entity is a member. The register shall list all members and their capacities.

5. ADMISSION CRITERIA

5.1. Admission criteria for members acting in the capacity of a National Bureau

- 5.1.1 Any applicant requesting admission as a member acting in the capacity of a National Bureau must comply with the following admission criteria:

- (a) the entity must act as a National Bureau of a state that is (i) internationally recognised and is a member of the United Nations and (ii) is located, at least partly, within the geographical scope of the Green Card System, *i.e.* the geographical area of the countries located to the West of the Ural Mountains and the Caspian Sea as well as the countries bordering the Mediterranean Sea;
 - (b) the application is presented by an entity which is formally appointed by the government of its state of establishment to act independently as a National Bureau and the National Bureau is established, operated, and financed by the MTPL insurers authorised to operate MTPL insurance in that state;
 - (c) the government of its state of establishment has provided an undertaking to the United Nations Economic Commission for Europe in a form submitted by the Application Committee in line with requirements set by Recommendation No 5;
 - (d) the state of the National Bureau has a compulsory MTPL insurance law in force at the time of the admission request for at least two years;
 - (e) the applicant National Bureau shall have competence over at least the territory of the state as it is recognised by the United Nations and which is under the state's *de facto* control;
 - (f) the state of the applicant National Bureau has ratified the Vienna Convention on Road Traffic of 8 November 1968 and the Vienna Convention on Road Signs and Signals of 8 November 1968;
 - (g) the criteria and conditions contained in the Financial Guarantees Criteria; and
 - (h) the additional admission criteria listed in the Standard Operating Procedures.
- 5.1.2 Upon admission as a member acting in the capacity of a National Bureau, the member shall initially have the status of a transitional member (***Transitional Member***) for a period of ten years.
- 5.1.3 During the period of transitional membership, the Transitional Member may only issue Green Cards in respect of vehicles registered in the state of that Transitional Member. In addition, any Transitional Member shall provide financial guarantees in accordance with the Financial Guarantees Criteria. In addition, the Transitional Members' compliance with the obligations in relation to the Green Card System shall be assessed by the Monitoring Committee.
- 5.1.4 Without prejudice to clause 5.1.3, and unless provided otherwise in these articles of association, Transitional Members shall have the same rights and obligations as members acting in the capacity of a National Bureau.

5.2. Admission criteria for members acting in the capacity of a Guarantee Fund and/or Compensation Body

Any applicant requesting admission as a member acting in the capacity of a Guarantee Fund and/or Compensation Body must comply with the following admission criteria:

- (a) the Guarantee Fund and/or Compensation Body has been established in accordance with European Union law and recognised as Guarantee Fund and/or Compensation Body, as the case may be; and
- (b) the Guarantee Fund and/or Compensation Body must have adhered to the GF/CB Agreement.

5.3. Admission criteria for members acting in the capacity of an Information Centre

- 5.3.1 Any applicant requesting admission as a member acting in the capacity of an Information Centre must comply with the following admission criteria:
- (a) the Information Centre must have been established and recognised in a state that participates in the Green Card System; and
 - (b) the Information Centre must have adhered to the IC Agreement.
- 5.3.2 Without prejudice to the rights and obligations that such member acting in the capacity of an Information Centre may have as member acting in the capacity of a National Bureau and/or a Guarantee Fund and/or Compensation Body, the rights and obligations of members acting in the capacity of an Information Centre are limited to attending the General Assembly, without voting rights, and without prejudice to the rights granted to Information Centres by these articles of association.

6. REGIONAL GROUPS

- 6.1.1 All members, with the exception of members acting only in the capacity of Information Centres, shall belong to a regional group.
- 6.1.2 The list of regional groups, the procedure on the basis of which members are allocated to a regional group and the principles on the composition of the regional groups are set out in the Standard Operating Procedures.
- 6.1.3 The regional groups shall serve as a platform for communication, for common problem-solving and for preparatory discussions in relation to the decision-making process within the Association.
- 6.1.4 Each regional group shall be represented in the Supervisory Board and the committees of the Association. The delegate(s) shall be appointed in accordance with the procedure set out in these articles of association or in the Standard Operating Procedures, as the case may be.
- 6.1.5 Delegates of regional groups in the Supervisory Board and the committees of the Association shall represent the interests of the regional group. They shall give feedback to their regional group on the topics to be discussed and the decisions taken within the relevant committees and working groups.
- 6.1.6 The regional groups are free to determine their decision-making process.

7. RIGHTS AND OBLIGATIONS OF MEMBERS

7.1. Rights of the members

The members have the rights granted to them by Belgian law and these articles of association, as well as any decision adopted by the Association.

7.2. Obligations of the members

Without prejudice to any other obligations the members may have pursuant to these articles of association, all members shall comply with these articles of association and with the decisions of the Association as well as with all agreements entered into with or by the Association or between

any of the members within the framework of the activities of the Association, to the extent that the respective member is a party to such agreement. Members shall at all times observe the general interest of the Association.

8. MEASURES AND SANCTIONS

8.1. Events of default

8.1.1 Measures and/or sanctions may be imposed on a member in case it commits any of the following breaches, and such breach is not remedied within the time period imposed by the Supervisory Board:

- (a) a breach of any provision of clause 7.2; or
- (b) the failure to pay the contribution in accordance with clause 15.2.

8.1.2 Any breach listed under clause 8.1.1 may be brought to the attention of the Supervisory Board by a member or a body of the Association.

8.2. Powers of the General Assembly and procedure regarding measures and sanctions

8.2.1 The following measures and/or sanctions, or a combination thereof, may be imposed by the General Assembly, in accordance with the provisions on measures and sanctions in the Standard Operating Procedures:

- (a) the obligation to provide appropriate financial guarantees and/or reporting obligations as described in the Standard Operating Procedures;
- (b) financial penalties, as a percentage or multiple of the member's annual contribution;
- (c) the exclusion of any delegates in the Supervisory Board and any committee and/or working group;
- (d) the suspension of voting rights;
- (e) the suspension of membership;
- (f) the exclusion of a member; and/or
- (g) any other measures or sanctions listed in the Standard Operating Procedures and falling within the powers of the General Assembly.

8.2.2 Exclusion or suspension of rights shall take effect as of the moment that the decision stating the exclusion or suspension and the underlying reasons is notified by the Managing Director by letter to the member, the delivery of which to that member is registered and proven.

8.2.3 Suspension of membership implies that the member concerned may no longer exercise any of its rights under these articles of association, although its membership is not terminated.

8.2.4 A decision by the General Assembly to suspend membership or exclude a member shall not affect the rights and obligations of the member under the terms of the agreements that it has signed and assumed prior to the suspension or termination. After 5 years' suspension, the General Assembly may terminate the membership of the defaulting member.

8.2.5 Exclusion or suspension of membership does not forfeit the obligation for that member to pay any contribution due for the on-going financial year or any previous years. In addition, the member shall remain fully liable for any action taken and/or for any event occurred during its membership period. In addition, the resignation does not impact any receivables and/or debts that the excluded member may have towards the Association or any of the members.

8.2.6 In case of exclusion or suspension of membership, the corresponding legal effects shall extend to all capacities of the member.

8.3. Powers of the Supervisory Board and the Monitoring Committee regarding measures and sanctions

8.3.1 The Supervisory Board and the Monitoring Committee shall have the power to impose the measures and/or sanctions in accordance with their competences as listed in the Standard Operating Procedures.

8.3.2 The Supervisory Board shall also have the power to impose the measures and/or sanctions listed in clause 8.2.1, with the exception of the sanction under clause 8.2.1(f), as a preliminary measure or sanction in exceptional and urgent circumstances, or a combination thereof, in respect of members. Such decisions shall be communicated to all members and shall be valid and binding until the next meeting of the General Assembly, which shall take a final decision on whether such measures or sanctions should be maintained.

9. TERMINATION OR TRANSFER OF MEMBERSHIP

9.1. Termination

Membership may be terminated by:

- (a) resignation; or
- (b) exclusion (see clause 8.2).

9.2. Resignation

9.2.1 Any member may resign in one or all capacities, by giving a twelve-months' written notice by letter to the Managing Director, the delivery of which to the Managing Director is registered and proven. The Managing Director shall inform the Supervisory Board thereof immediately following the receipt of the resignation notice. The membership of the resigning member shall be terminated in relation to the relevant capacity at the end of the financial year in which the twelve-month notice period expires.

9.2.2 Resignation does not forfeit the obligation for the resigning member to pay the contribution for the on-going financial year or any previous years.

9.2.3 In addition, the resigning member shall remain fully liable for any action taken and/or for any event occurred during its membership period. In addition, the resignation does not impact any receivables and/or debts that the resigning member may have towards the Association or any of the members, and *vice versa*.

9.3. Transfer of membership

- 9.3.1 If a member is replaced by another entity established in the same state or in case of a restructuring of the organisation and/or functions of a member, that member shall inform the Association, by letter to the Managing Director, the delivery of which to the Managing Director is registered and proven, at least six months prior to the envisaged date of transfer of any of its capacities to a new entity. All rights and obligation related to the transferred capacity shall automatically be transferred to the new entity, provided that that new entity complies with all relevant admission criteria as set out in clause 5.
- 9.3.2 Further, the existing member shall provide a guarantee that all outstanding financial obligations towards the Association, or any of the members, will be accepted by the new entity.

10. GENERAL ASSEMBLY

10.1. Composition and structure

- 10.1.1 The General Assembly is the highest decision-making body of the Association and consists of all members.
- 10.1.2 The General Assembly shall be divided into different meetings addressing the following matters (as defined hereinafter):
- (a) the Common Matters;
 - (b) the Green Card Matters;
 - (c) the European Legislation Protection of Visitors Matters; and
 - (d) the Multilateral Agreement Matters.

10.2. Powers of the General Assembly

- 10.2.1 The General Assembly has the following powers in relation to matters common to all members (except members acting only in the capacity of an Information Centre) (hereinafter the **Common Matters**):
- (a) appointment and dismissal of the President and the Vice-Presidents;
 - (b) appointment and dismissal of the additional members of the Supervisory Board;
 - (c) setting up committees and approving the composition and the chairmanship of the committees, upon proposal of the Supervisory Board, to the extent the powers of these committees relate to Common Matters;
 - (d) the appointment, dismissal and discharge of the auditor(s);
 - (e) approval of the annual budget;
 - (f) approval of the annual audited accounts;
 - (g) imposing one or more measure(s) and/or sanction(s) on members in accordance with the overview of competences of the General Assembly as contained in clause 8 and the Standard Operating Procedures, to the extent that it relates to Common Matters;

- (h) offering services to other international or supranational organisations;
- (i) any amendments to these articles of association;
- (j) dissolution and liquidation of the Association;
- (k) deciding on the policy to be adopted in relation to any initiatives, issues or activities that have or may have an impact on Common Matters;
- (l) the conclusion and amendment of agreements specific to Common Matters;
- (m) adopt Standard Operating Procedures in accordance with clause 11.1.3; and
- (n) any other powers as explicitly granted pursuant to these articles of association.

10.2.2 In addition, the General Assembly shall be competent to decide on the following matters in relation to the Green Card pillar (hereinafter the **Green Card and Multilateral Agreement Matters**):

- (a) deciding on the policy to be adopted in relation to any initiatives, issues or activities that have or may have an impact on Green Card and Multilateral Agreement Matters;
- (b) admission to the Association and membership issues related to members acting in the capacity of a National Bureau;
- (c) imposing one or more measure(s) and/or sanction(s) on members in accordance with the overview of competences of the General Assembly as contained in clause 8 and the Standard Operating Procedures, to the extent that it relates to Green Card and Multilateral Agreement Matters;
- (d) decide on the rules for calculating the handling fees provided for under the Internal Regulations;
- (e) setting up committees and approving the composition and the chairmanship of the committees, upon proposal of the Supervisory Board, to the extent the powers of these committees relate to Green Card and Multilateral Agreement Matters;
- (f) deciding on matters raised by members which concern the operation of the Green Card System or the Internal Regulations; and
- (g) the conclusion and amendment of agreements specific to Green Card and Multilateral Agreement Matters.

10.2.3 In addition, the General Assembly shall be competent to decide on the following matters in relation to the European Legislation Protection of Visitors pillar (hereinafter the **European Legislation Protection of Visitors Matters**):

- (a) deciding on the policy to be adopted in relation to any initiatives, issues or activities that have or may have an impact on European Legislation Protection of Visitors Matters;
- (b) admission to the Association and membership issues related to members acting in the capacity of a Guarantee Fund and/or Compensation Body, with the exception that during the first meeting of the General Assembly following the entry into force of these articles of association that has this item on its agenda the admission of the members acting in the capacity of a Guarantee Fund and/or Compensation Body shall, in the absence of such existing members, be decided on by the members acting in the capacity of a National Bureau;

- (c) imposing one or more measure(s) and/or sanction(s) on members in accordance with the overview of competences of the General Assembly as contained in clause 8 and the Standard Operating Procedures, to the extent that it relates to European Legislation Protection of Visitors Matters;
- (d) decide on the rules for calculating the handling fees provided for under the GF/CB Agreement;
- (e) setting up committees and approving the composition and the chairmanship of the committees, upon proposal of the Supervisory Board, to the extent the powers of these committees relate to European Legislation Protection of Visitors matters;
- (f) deciding on matters raised by members which concern the operation of the Motor Insurance Directive or the GF/CB Agreement; and
- (g) the conclusion and amendment of agreements specific to the European Legislation Protection of Visitors matters.

10.3. Convocation notices

- 10.3.1 The Managing Director may convene General Assembly meetings, including an extraordinary General Assembly, at any time, but at least once a year.
- 10.3.2 A General Assembly shall be convened at least one month before the day that the General Assembly is scheduled to take place. A notice is validly made if it is (i) sent by e-mail to the electronic address as provided by each member to the Association or sent through any other approved electronic method and (ii) published on the members' section of the website of the Association. The notice shall specify the time and place of the meeting, the agenda and all the documents relating to the items on the agenda.
- 10.3.3 The Managing Director may at all times convene an extraordinary meeting of the General Assembly and must convene an extraordinary meeting of the General Assembly upon receipt of a written reasoned request, containing the proposed agenda of such extraordinary meeting, from at least one quarter of the members that have voting rights in relation to the proposed agenda items.
- 10.3.4 Subject to the provisions of these articles of association, all members, all members of the Supervisory Board, the Managing Director and, as the case may be, the auditor(s) of the Association shall be convened for the General Assembly.
- 10.3.5 Any member may propose items for the agenda. Proposals shall be submitted to the Supervisory Board by e-mail not later than three months before the day of the General Assembly. The Supervisory Board has the discretionary power to decide on whether proposed additional agenda items are added to the agenda of the meeting.

10.4. Decision making

- 10.4.1 The General Assembly is legitimately constituted and may validly deliberate and decide regardless of the number of members present. Regardless of the foregoing, the decisions made by the General Assembly as mentioned in clauses 16 (*Dissolution*) and 10.2.1(i) (*Amendments to these articles of association*) can only be taken if at least 75% of the member are present.
- 10.4.2 The President shall chair the General Assembly, but does not have the right to vote at the General Assembly.
- 10.4.3 At any General Assembly, and unless otherwise required by a majority of the members present, a recommendation put to the vote of the meeting shall be decided by raising hands or through an electronic voting system.

- 10.4.4 Each decision of the General Assembly requires a majority of 75% of the votes expressed by the members present and entitled to vote in relation to that agenda item. Abstentions shall not be considered as votes expressed.
- 10.4.5 The General Assembly can take decisions in relation to urgent matters by way of written resolutions, with the exception of:
- (a) the decisions to be taken in the annual General Assembly, i.e. the decisions provided under clauses 10.2.1(d) through 10.2.1(f); and
 - (b) any decisions relating to a change of the articles of association or a dissolution of the Association.
- 10.4.6 The written resolutions will be circulated amongst the relevant members. Assuming each of the members has duly executed its counterpart of the written resolutions prior to, or on, the date mentioned in the written resolutions, the written resolutions shall be deemed to have been taken on the date mentioned in the written resolutions. Upon execution, each member shall send its original, duly executed counterpart of the written resolutions to the Managing Director. In the absence of the receipt of all original, duly executed counterparts of the written resolutions within the period following the date mentioned in the written resolutions, a General Assembly will be convened in accordance with clause 10.3 to decide on the resolutions.

10.5. Voting rights at the General Assembly

- 10.5.1 The following members shall have the following voting rights:
- (a) the Common Matters: all members, except members only acting in the capacity of an Information Centre. Transitional Members shall only have voting rights in relation to matters relating to the budget and the distribution of costs within the Association;
 - (b) the Green Card Matters: the members acting in the capacity of a National Bureau;
 - (c) the European Legislation Protection of Visitors Matters: jointly by the members acting in the capacity of a Guarantee Fund and/or Compensation Body; and
 - (d) Multilateral Agreement Matters: the signatories to the Multilateral Agreement.
- 10.5.2 In relation to the Common Matters, all members acting in different capacities established in the same state shall jointly have two votes at the General Assembly. One of these two votes shall be cast by the member acting in the capacity of a National Bureau and one vote shall be cast jointly by the member(s) acting in the capacity of a Guarantee Fund and/or Compensation Body, regardless of how the different capacities are structured and organised in that state. If there is only one member in a state, that member shall be entitled to cast both votes.
- 10.5.3 In relation to the Green Card Matters, each member acting in the capacity of a National Bureau shall have one vote at the General Assembly, regardless of how that member is structured and organised in that state.
- 10.5.4 In relation to the European Legislation Protection of Visitors Matters, the member(s) acting in the capacity of a Guarantee Fund and/or Compensation Body established in the same state shall jointly have one vote at the General Assembly. This one vote shall be cast by the member(s) acting in the capacity of a Guarantee Fund and/or Compensation jointly, regardless of how the different entities and capacities are structured and organised in that state.
- 10.5.5 If the capacity of Compensation Body and Guarantee Fund in a state would be performed by different members, these members should jointly agree on how to cast their vote(s) prior to the General Assembly and which delegate will cast their joint vote. In the absence of an agreement on

these two aspects, these entities shall not be allowed to cast their vote(s) and any vote(s) cast in breach of this clause 10.5.5 shall not be taken into account as (a) vote(s) expressed under clause 10.4.4.

- 10.5.6 In relation to Multilateral Agreement Matters, each relevant member shall have one vote.
- 10.5.7 The members only acting in the capacity of an Information Centre are entitled to attend the meetings of the General Assembly, but shall not have voting rights.
- 10.5.8 Entities whose Capacities are represented and executed by members established in another state shall also be represented by these members on meetings of the General Assembly and shall not have voting rights of their own.

10.6. Minutes

The Managing Director shall publish within one month as from the General Assembly an overview of the decisions taken by that General Assembly on the members' section on the website of the Association and shall inform the members thereof by means of electronic communication. The same applies to the minutes of that General Assembly which shall be published within three months as from the meeting.

11. SUPERVISORY BOARD

11.1. Powers

- 11.1.1 The Supervisory Board is the strategic decision-making body of the Association. It supervises the functioning of the Association and the fulfilment of the obligations by the members, determines the general strategy and has the power to perform all acts that are necessary or useful for the realisation of the Association's object and purpose, with the exception of those reserved to any other body of this Association by Belgian law or these articles of association.
- 11.1.2 In this respect, the Supervisory Board shall have all residual powers not specifically allocated to another body of the Association, such as the power to:
 - (A) direct and control the management of the Association, such as:
 - (a) appointing and dismissing the Managing Director(s);
 - (b) controlling the activities of the Managing Director(s);
 - (c) preparing a proposal for the composition of the regional groups and the allocation of a new member to a regional group, to be submitted to and approved by the General Assembly;
 - (d) controlling the budget expenditure in the Association;
 - (e) reviewing the annual accounts and the annual budget of the Association, to be submitted to and approved by the General Assembly; and
 - (f) preparing proposals for any amendments to the articles of association or the dissolution of the Association, to be submitted to the General Assembly for approval.
 - (B) direct and control the professional activities of the Association, such as:

- (a) preparing a proposal for the composition and the chairmanship of the committees in accordance with the provisions of the Standard Operating Procedures, to be submitted to the General Assembly for approval;
 - (b) follow-up of the implementation of long-term projects;
 - (c) preparing a proposal for measures and sanctions against members, to be submitted to and approved by the General Assembly;
 - (d) taking urgent preliminary measures and sanctions in respect of members, to be submitted to the General Assembly which shall take a final decision on the measures and sanctions to be imposed on its next meeting, in accordance with clause 8.3.2 as well as imposing other measures and/or sanctions within its powers as listed by the standard Operating Procedures in accordance with clause 8.3.1;
 - (e) in case an urgent decision is required, deciding on the matters covered by clauses 10.2.1(k), 10.2.2(a), 10.2.2(f), 10.2.3(a) or 10.2.3(f), communicating such decisions to all members and submitting such decisions for final approval to the next meeting of the General Assembly; and
 - (f) deciding on any cooperation with stakeholders.
- (C) adopting rules on good corporate governance.
- 11.1.3 The Supervisory Board prepares Standard Operating Procedures, which shall contain more detailed provisions on certain aspects of these articles of association, as they may deem necessary or expedient or convenient for the proper conduct, operation and management of the Association, provided that no rule shall be inconsistent with, or shall affect or repeal any legal provision or provision of these articles of association. The draft Standard Operating Procedures or changes to them prepared by the Supervisory Board shall be submitted to the General Assembly for approval.

11.2. Composition

- 11.2.1 The Supervisory Board is composed of at least fifteen members, i.e. the President, the two Vice-Presidents and at least twelve additional members, representing the regional groups on the following basis:
- (a) delegate(s) of the members of four states of the A group; and
 - (b) delegate(s) of the members of eight states of the other regional groups, i.e. two states per regional group.
- 11.2.2 A Transitional Member and a Member Placed Under Monitoring have no right to be represented in the Supervisory Board. The members of the states of origin of the Presidential College are not entitled to be represented by an additional member in the Supervisory Board. In case an additional delegate of the Supervisory Board would be elected as the President or Vice-President during his or her mandate as member of the Supervisory Board, the regional group concerned shall nominate a new member to send a delegate of the Supervisory Board in accordance with the provisions of clause 11.2.3 for the remainder of the running term in accordance with clause 11.3.3.
- 11.2.3 In case the capacities of National Bureau and Guarantee Fund are conducted by different entities in the state delivering a member for the Supervisory Board, the National Bureau and the Guarantee Fund have the right to be represented by two separate members of the Supervisory Board, one representing the National Bureau and one representing the Guarantee Fund. In case the capacities of Guarantee Fund and Compensation Body are conducted by different entities in the state delivering a member for the Supervisory Board, the Guarantee Fund and Compensation Body have

the right to be represented by two separate members of the Supervisory Board, one representing the Guarantee Fund and one representing the Compensation Body.

- 11.2.4 The right to be represented by two separate members in the Supervisory Board as contained in clause 11.2.3 does not apply if both members acting in different capacities in the same state are managed by a common management and would be represented by the same delegate.

11.3. Election and dismissal of the additional members of the Supervisory Board

- 11.3.1 The additional members of the Supervisory Board shall be elected by the General Assembly for a term of three years in accordance with the provisions of this clause 11 and the Standard Operating Procedures (including the rotation system), with a maximum of two consecutive terms. For the interpretation of this clause 11.3.1 “additional members of the Supervisory Board” is to be understood as the delegate of the same entity and capacity of that entity, independent from the natural person.
- 11.3.2 The General Assembly may dismiss and elect the additional members of the Supervisory Board on a discretionary basis.
- 11.3.3 Should any of the additional members of the Supervisory Board cease to hold office, for whatever reason, the remaining members of the Supervisory Board have the right to appoint, upon proposal of the relevant regional group, a new additional member of the Supervisory Board for the remainder of the running term. The General Assembly shall confirm this appointment or otherwise fill such vacancy at the latest at the next meeting of the General Assembly.
- 11.3.4 A member of the Supervisory Board that represents a Member Placed Under Monitoring shall lose its seat automatically as of the date that the member is Placed Under Monitoring. The regional group that nominated that member of the Supervisory Board shall elect a new delegate which shall be appointed in accordance with the election procedure set out in these articles of association and in the Standard Operating Procedures. In case the entities established in the state of origin of the Member Placed Under Monitoring were represented by two delegates in the Supervisory Board in accordance with clause 11.2.3, both members of the Supervisory Board must be replaced.
- 11.3.5 Any appointments and resignations shall be published in the Annexes to the Belgian Official Journal as soon as possible by the Managing Director after the decision taken by the General Assembly.

11.4. Meetings

- 11.4.1 The Supervisory Board shall have at least four meetings per year. Meetings of the Supervisory Board shall, except in case the agenda items relate to urgent matters, be convened by the Managing Director by e-mail, with at least one month's notice. The invitation shall also be published in the section for the members of the Supervisory Board of the website of the Association.
- 11.4.2 The agenda and the supporting documents shall be distributed to the members of the Supervisory Board via e-mail and published in the section of the members of the Supervisory Board on the website of the Association not later than two weeks before the date of the Supervisory Board meeting, except in case the agenda items relate to urgent matters.
- 11.4.3 Agenda items may be added to the agenda of the meetings of the Supervisory Board upon the proposal of any member of the Supervisory Board submitted not later than one month before the day of the meeting of the Supervisory Board. The Supervisory Board has the discretionary power to decide on whether proposed additional agenda items are added to the agenda of the meeting.
- 11.4.4 The President chairs the meetings of the Supervisory Board.
- 11.4.5 In case of a conflict of interests, the delegate shall inform the Supervisory Board at the beginning of the relevant meeting. A member with a conflict of interest shall not have voting rights in relation to

the resolutions that relate to the agenda items in relation to which that member has a conflict of interest. If the Supervisory Board decides on imposing measures and/or sanctions on a member, the member of the Supervisory Board that represents that member shall be considered to have a conflict of interest. In relation to these resolutions, the presence of that member of the Supervisory Board at the meeting shall not be taken into account for the calculation of the majority required in accordance with clause 11.5 to approve these resolutions.

11.5. Quorum and majority

- 11.5.1 The Supervisory Board may only validly decide if at least 50% of the votes of the Supervisory Board are present at such meeting. Should this condition not be met, a new meeting must be called after at least two weeks, which may validly deliberate and decide on the items on the agenda of the previous meeting if at least the President, the two Vice-Presidents and two additional members of the Supervisory Board are present.
- 11.5.2 Each decision of the Supervisory Board requires a majority of 75% of the votes cast by the members of the Supervisory Board present and entitled to vote. Abstentions shall not be considered as votes expressed. When casting their votes, the President shall consult the Vice-Presidents. The A-Group has a veto right. It is applicable when those A-Group members present in the meeting explicitly declare to exercise the veto right.

11.6. Voting

- 11.6.1 The following members of the Supervisory Board shall have the following voting rights:
- (a) the Common Matters: the Presidential College and all additional members of the Supervisory Board;
 - (b) the Green Card Matters: the Presidential College and all additional members of the Supervisory Board representing members acting in the capacity of a National Bureau; and
 - (c) the European Legislation Protection of Visitors Matters: the Presidential College and all additional members of the Supervisory Board representing members acting in the capacity of a Guarantee Fund and/or Compensation Body.
- 11.6.2 In case there is no agreement on the category to which a matter belongs, the decision of the Supervisory Board to decide on the category to which a matter belongs shall be considered a Common Matter.
- 11.6.3 In relation to the Common Matters, the members of the Presidential College and each additional member of the Supervisory Board each have one vote. The additional members of the Supervisory Board representing members acting in different capacities but established in the same state shall jointly have one vote. In the absence of an agreement on how to vote, these members of the Supervisory Board shall not be allowed to cast their vote and any vote cast in breach of this clause 11.6.3 shall not be taken into account as a vote expressed under clause 11.5.2.
- 11.6.4 In relation to Green Card Matters, the members of the Presidential College and each additional member of the Supervisory Board representing members acting in the capacity of a National Bureau shall each have one vote.
- 11.6.5 In relation to European Legislation Protection of Visitors Matters, the members of the Presidential College and each additional member of the Supervisory Board representing members acting in the capacity of a Guarantee Fund and/or Compensation Body shall each have one vote. If the capacity of a Guarantee Fund and/or Compensation Body is performed by different members established in the same state, the members of the Supervisory Board representing these members shall jointly have one vote. In the absence of an agreement on how to vote, these members of the Supervisory

Board shall not be allowed to cast their vote and any vote cast in breach of this clause 11.6.5 shall not be taken into account as a vote expressed under clause 11.5.2.

11.6.6 In case a regional group would be represented in the Supervisory Board by a delegate of a non-multilateral agreement signatory and a delegate of a multilateral agreement signatory and/or a Guarantee Fund, the member of the Supervisory Board representing the multilateral agreement signatory and/or Guarantee Fund shall have two votes in relation to European Legislation Protection of Visitors Matters.

11.6.7 The members of the Supervisory Board shall not have voting rights in relation to decisions regarding the membership of or the decision to impose measures and/or sanctions on the member from which they originate.

11.6.8 The Presidential College always has one vote per person (i.e. in total three votes), both for Common Matters, Green Card Matters and European Legislation Protection of Visitors Matters.

11.7. Written resolutions and minutes

11.7.1 The Supervisory Board can take decisions by way of written decisions. The written resolutions will be circulated amongst the members of the Supervisory Board. Assuming each member of the Supervisory Board has duly executed its counterpart of the written resolutions prior to, or on, the date mentioned in these resolutions, the written resolutions will be deemed to have been taken on this date. Upon execution, each member of the Supervisory Board will have to send its original, duly executed counterpart of the written resolutions to the Managing Director. In the absence of receipt by the Managing Director, of all original, duly executed counterparts of the written resolutions within one week following the date mentioned in the written resolutions, the Supervisory Board will have to meet to decide on the resolutions.

11.7.2 The Managing Director shall distribute the decisions and minutes of the meetings of the Supervisory Board within one month of the meeting by e-mail or through any other approved electronic method to the members of the Supervisory Board. These documents shall, upon approval by the Supervisory Board during its next meeting, be published in the section for the members of the Supervisory Board of the website of the Association.

12. PRESIDENTIAL COLLEGE

12.1. President

12.1.1 The President of the Association is considered to be the head of the Association. The President shall observe the overall interest of the Association.

12.1.2 The President shall have the following powers:

- (a) representing the Association in documents, visits or events of major importance or of strategic nature for the Association;
- (b) chairing the meetings of the General Assembly and the Supervisory Board;
- (c) reporting to the General Assembly on behalf of the Supervisory Board in relation to developments and activities and any action to be taken regarding Common Matters; and
- (d) determining the overall strategy of the Association in close cooperation with the Supervisory Board and subject to the approval of the General Assembly.

- 12.1.3 The President may not originate from a Transitional Member or a Member Placed Under Monitoring. If this situation would occur during the term of the President, the provisions of clause 12.3.6 shall apply

12.2. Vice-Presidents

- 12.2.1 The President shall be assisted by two Vice-Presidents (all three together the **Presidential College**). The Presidential College shall represent the non-signatories of the Multilateral Agreement, the signatories of the Multilateral Agreement and the European Legislation Protection of Visitors pillar, respectively, each of them originating from one of the three segments.

- 12.2.2 The Vice-Presidents may not originate from a Transitional Member or a Member Placed Under Monitoring. If this situation would occur during the term of any of the Vice-Presidents, the provisions of clause 12.3.7 shall apply

12.3. Appointment of the Presidential College

- 12.3.1 The President as well as the two Vice-Presidents shall be elected by the General Assembly as a college for a fixed term of office of five years. The members of the Presidential College shall each originate from different states.

- 12.3.2 In case the President has performed a full five-year term, his/her term is only renewable for one non-consecutive additional term of five years. In case the President has not performed a full five-year term, his/her term may be renewed for one consecutive additional term of five years only. The President may be elected for a consecutive term as Vice-President. The Vice-Presidents may be elected for a second consecutive term as Vice-President or a consecutive term as President.

- 12.3.3 The change in the status of the member from which the President or any of the Vice-Presidents originates as delegate of the non-signatories of the Multilateral Agreement, the signatories of the Multilateral Agreement and the European Legislation Protection of Visitors pillar, respectively, during the term of the mandate of the member of the Presidential College will not impact the appointment of that person. However, if it is clear at the election procedure that the status of the member from which the President or any of the Vice-Presidents originates will change, that candidate may not be elected as member of the Presidential College.

- 12.3.4 Should the President temporarily cease to hold office or be temporarily unable to perform his/her mandate, for whatever reason, the Vice-Presidents shall decide between themselves who of them shall replace the President. In the absence of an agreement between the Vice-Presidents, the Vice-President representing the Green Card pillar shall replace the President. In case both Vice-Presidents represent the Green Card pillar, the Vice-president representing the signatories to the Multilateral Agreement shall replace the President.

- 12.3.5 The Supervisory Board may limit the powers of the President during his or her temporary replacement, which shall be submitted to the next meeting of the General Assembly for approval.

- 12.3.6 Should the President permanently cease to hold office, for whatever reason, an election procedure shall be organised during which a new Presidential College shall be elected.

- 12.3.7 Should any of the Vice-Presidents permanently cease to hold office, for whatever reason, or be temporarily unable to perform his/her mandate, the President shall have the right to appoint a temporary Vice-President for the remainder of the running term who must represent the same segment as the replaced Vice-President. The General Assembly shall confirm this appointment or otherwise fill such vacancy at the latest at the next meeting of the General Assembly.

- 12.3.8 The rules on the nomination, election procedure, replacement and resignation of the Presidential College shall be set out in the Standard Operating Procedures.

12.4. Expenses

- 12.4.1 The remuneration of the Presidential College in relation to the performance of their mandate shall not be reimbursed by the Association, unless otherwise decided by the Supervisory Board. In any case, the Presidential College shall not have any power to decide on the reimbursement of any expenses.
- 12.4.2 The expenses incurred by the Presidential College shall be reimbursed in accordance with clause 15.4.

13. MANAGING DIRECTOR

13.1. Appointment and powers of Managing Director

- 13.1.1 The Supervisory Board shall appoint one or more Managing Directors (hereinafter referred to as the **Managing Director**) who shall be in charge of the daily management of the Association. The Managing Director may not simultaneously be an acting member of the Supervisory Board or a delegate of a member of the Association.
- 13.1.2 The Managing Director shall act in accordance with the instructions that he or she may receive from and under the supervision of the Supervisory Board and in any event in accordance with these articles of association. The Managing Director is the main contact person of the Association for the members and external organisations.
- 13.1.3 The Supervisory Board may at all times dismiss the Managing Director and appoint a new or interim Managing Director.
- 13.1.4 The Managing Director is entrusted with the following powers:
- (a) ensuring the execution of the agreements entered into by and decisions taken by any other body of the Association;
 - (b) managing the secretariat and its internal processes;
 - (c) identifying strategic issues for the Association, which should then be submitted to the Supervisory Board for consideration;
 - (d) preparing a strategic plan for the Association and presenting it to the Supervisory Board;
 - (e) ensuring that there is compliance by all members with decisions of the bodies of the Association and of the signatories to the Multilateral Agreement and the principles of the Association and to bring to the notice of the President and the Supervisory Board any failure of compliance in this regard;
 - (f) representing the Association in the framework of operational issues (such as court documents, daily business contracts and employment agreements with the Association's staff) and the practical follow-up and implementation of the decisions taken by the Supervisory Board and the General Assembly, within the limits set by the respective body of the Association;
 - (g) acting as mediator in disputes between the members;
 - (h) referring various matters for consideration to each Committee according to its area of competence as foreseen in these articles of association;

- (i) controlling the expenditure within the Association, including the withdrawal of funds, the preparation of the annual and/or extraordinary budget, the annual report, the annual or special contribution and the annual accounts and conducting the banking transactions;
- (j) organising and assisting in relation to the meetings of the General Assembly, the committees and the working groups, and the drafting of the minutes of the meetings of the General Assembly, the committees and the working groups;
- (k) participating in the meetings of and reporting to the Supervisory Board as well as drafting minutes of the meetings of the Supervisory Board;
- (l) convening an Advisory Board in accordance with clause 13.2;
- (m) offering services and cooperation to other international and supranational organisations involved in activities within the framework of MTPL insurance;
- (n) any other powers as explicitly granted pursuant to these articles of association; and
- (o) organising meetings for the members acting in the capacity of Information Centres in view of discussing or deciding on IC Matters

13.2. Advisory Board

- 13.2.1 In order to ensure that decisions are taken in line with the interests of the members, the Managing Director has the power to convene an Advisory Board. The function of the Advisory Board is limited to advising the Managing Director in relation to the decisions to be taken by the Managing Director within the framework of the powers of the Managing Director.
- 13.2.2 The Advisory Board shall be composed of persons and entities whose experience, expertise and/or input may be of benefit to the Association, or certain aspects of the activities of the Association.
- 13.2.3 The Advisory Board shall be convened on an *ad hoc* basis, on the initiative of the Managing Director, who is free to select the members from the chairs of the committees, working groups or other experts, depending on the subject matter to be discussed. A meeting of the Advisory Board may also take place by means of conference call or similar communications equipment whereby all persons participating in the meeting can hear each other.

14. COMMITTEES

- 14.1.1 The following committees shall be established in the Association:
- (a) The Monitoring Committee (Common Matters);
 - (b) The Application Committee (Common Matters);
 - (c) The Internal Regulations Committee (Green Card Matters);
 - (d) The Compensation Bodies and Guarantee Funds Committee (European Legislation Protection of Visitors Matters);
 - (e) The IT Committee (Common Matters); and
 - (f) The Information Centres Committee.

- 14.1.2 The rules and principles on the powers, organisation and decision-making process of the committees shall be set out in the Standard Operating Procedures.
- 14.1.3 The General Assembly may set up new committees upon the proposal of the Supervisory Board in accordance with clauses 10.2.1(c), 10.2.2(e), 10.2.3(e) and 11.1.2(B)(a).

15. FINANCIAL YEAR, FUNDING, BUDGET, EXPENSES, ACCOUNTS AND AUDITOR

15.1. Financial year

The financial year of the Association starts on 1 January and ends on 31 December of each year.

15.2. Funding

- 15.2.1 Each member, except members acting only in the capacity of an Information Centre, shall pay an annual contribution(s) to the budget of the Association, the amount of which shall depend on the capacity or capacities in which it is a member. The members acting in the capacity of a Guarantee Fund and/or Compensation Body established in the same state shall jointly pay one contribution. The General Assembly shall divide the members into contribution groups in accordance with the rules in relation to this as contained in the Standard Operating Procedures.
- 15.2.2 This annual contribution must be paid and received by the Association on its bank account within eight weeks as from the date of request for payment made by the Managing Director.
- 15.2.3 In addition to the annual contribution, the members, except members acting only in the capacity of an Information Centre, shall contribute to extraordinary budget needs of the Association in accordance with the decision made in that respect by the General Assembly.
- 15.2.4 If a member fails to pay its annual or extraordinary contribution in time for it to be received by the Association on its bank account within a period of eight weeks as from the date of the request for payment, the member shall pay an additional interest at a rate of 12% per annum, calculated as from the date of the request for payment. If the annual or extraordinary contribution is not received within three months as from the date of the request for payment, the amount of the contribution shall be increased by 50% of the original amount, plus interests. If the annual or extraordinary contribution is not received within six months as from the date of the request for payment, the amount of the annual or extraordinary contribution shall be increased by 100% of the original amount plus interests.

15.3. Budget

- 15.3.1 In September of each financial year, the Supervisory Board shall prepare an overview of the annual ordinary and extraordinary budget of the Association for the next financial year, to be approved by the annual General Assembly.
- 15.3.2 Every six months, the Managing Director shall submit to the Supervisory Board periodic reports on the execution of the budget. The reports are due in September (for the first half of the year) and in March (for the preceding full year).

15.4. Expenses

Expenses related to the participation in regular meetings of the General Assembly, the Supervisory Board, any committees or ad hoc working groups, except expenses incurred by the President and/or

any of the Vice-Presidents for such meetings, shall not be reimbursed. The Association shall reimburse all costs incurred by representatives of the Association, such as the President, the Vice-Presidents, chair of a committee or ad hoc working group, in the context of the performance of their mandate as representative of the Association, upon approval by the Managing Director and presentation of valid receipts.

15.5. Accounts

- 15.5.1 The Managing Director must prepare accounts and keep accounting records as required by Belgian law.
- 15.5.2 When approved by the Supervisory Board, the draft annual accounts shall be signed by the President, the Vice-Presidents and the Managing Director.

15.6. Auditor

Upon proposal of the Supervisory Board, the General Assembly shall appoint an external auditor and determine his or her remuneration. The auditor shall prepare draft annual accounts and submit these to the Supervisory Board as soon as possible after the end of the previous financial year. In addition, the auditor will carry out a formal audit once a year. Further, the auditor shall assist, where necessary, in dealings relating to the revenue of the Association and tax authorities. The auditor reports directly to the Supervisory Board.

16. DISSOLUTION AND LIQUIDATION

In case of dissolution with liquidation, one or more liquidators shall be appointed by the General Assembly. To this end, the General Assembly shall appoint liquidators who shall dispose of all powers to liquidate the Association and, after the satisfaction of all its debts and liabilities, distribute its remaining assets to a charitable initiative.

17. GOVERNING LAW

All matters which are not explicitly described in these articles of association shall be governed by the Belgian law.