

Legal Protection International– International Non-Profit Organisation

STATUTES

(as modified on 12 June 2020)

TITLE I

NAME, REGISTERED OFFICE

Article 1

There is established under the name “Legal Protection International aisbl” an international non-profit organisation governed by the provisions of Chapter 10 and the other applicable provisions of the Code on Companies and Associations of 23 March 2019, as well as the various amendments thereto.

Article 2

The registered office of the association is presently at Rue de l’Industrie 4, 1000 Brussels.

The registered office may be transferred to any other address in Belgium by a simple decision of the Executive Committee.

Any change in the registered office must be entered in the file of the association held at the Belgian Ministry of Justice and be published in the supplements to the *Moniteur belge*, the official gazette.

TITLE II

CORPORATE PURPOSE

Article 3

The corporate purpose of the Association is:

- a. to promote the shared interests of all legal protection insurances, to bring about conditions everywhere that take the interest of the insured into account and guarantee an ever increasing presence of the industry within an environment of fair competition. This involves measures such as, by way of example not limitation:
 - keeping the membership informed and organising the exchange of information between member companies,
 - establishing and maintaining contacts with international authorities and organisations, as well as with consumer protection associations and professional unions,
 - adopting a stance with regard to legislative initiatives concerning the industry;
 - to monitor the interpretation and implementation of Directive 87/344/EC, now Directive 2009/138/EC, and of the texts transposed into the laws of the different States concerned.
- b. To organise conferences and colloquia on issues of particular interest for the Association and its members.
- c. The purpose of the Association is not for profit and any surplus funds must be used for statutory purposes.

TITLE III

MEMBERSHIP

Article 4

The Association shall consist of at least three members at all times. Membership of the Association is open to natural persons or legal entities, whether Belgian or foreign, and is composed of the founder members, the active members and the honorary members as well as the associate members.

Article 5

- a. Membership of the Association is open to any company or branch thereof
 - i. which carries on the business of legal protection insurance,
 - ii. or which is engaged in providing services in the field of legal protection insurance.
- b. Members will endeavour to safeguard their insureds against conflicts of interest with other insurance classes. Members ensure that the insured legal services are always provided in the best interest of the insured. Members adhere to the Association's Code of Conduct.
- c. Associate membership of the Association is open to natural persons or legal entities, whether Belgian or foreign, having a proven legitimate interest in the issues of the Association or intending to incorporate as a company described in paragraphs a. and b. above.

Associated members pay a fixed subscription and they do not have the right to vote.

- d. Membership as associate member is restricted to three years. After three years the Executive Committee assesses whether the pre-conditions continue to exist. If the Executive Committee comes to the conclusion that the associate member still fulfils the pre-conditions the General Council can prolong membership once by another three years. In case it is concluded that the pre-conditions no longer persist the associate member is informed thereof and expelled from membership. Associate members are free to apply for full membership any time after they are deemed to fulfil the necessary pre-conditions.
- e. The application for membership must be submitted to the Executive Committee through the National Section of the country in which the applicant company has its head office.
- f. Applications from companies in countries without a Section must be submitted directly to the Executive Committee.
- g. The Executive Committee shall decide on applications for membership. In the event of a difference of opinion or objection, the decision shall rest with the General Council.
- h. The membership of a company shall become effective on the date the application for membership is accepted. However, payment of subscriptions shall begin only the following business year.
- i. Natural persons having served the Association with distinction may become honorary members upon the proposal of the Executive Committee. Honorary members do not pay subscriptions and they do not have the right to vote.

Article 6

- a. A member may withdraw from the Association at any time by providing to the President of the Association prior notice of withdrawal, either by registered letter or by delivery of written notice against receipt.
- b. A member shall be expelled automatically from the effective date of it being declared bankrupt, or placed in compulsory administration, or dissolved and liquidated, or merged with a third party (other than a member of the Association), or prohibited from carrying on its business.
- c. A member in breach of its obligations can be expelled. Before expulsion the member must be given the opportunity to be heard and in order to defend its conduct. The annual subscription remains due in its entirety.
- d. In the event of loss of capacity in a or b above
 - i. The annual subscription remains due in its entirety if the loss of capacity occurs between 1st January and 30th June in any calendar year.
 - ii. There will be a minimum six months subscription charge if the loss of capacity occurs between 1st July and 31st December in any calendar year. The subscription charge will be based on no refund of the remaining subscription for the calendar year plus an appropriate pro rata charge of the subscription for the following year, dependent on the date of the loss of capacity. For example, if loss of capacity occurs on 1st October then the remaining three months subscription is not returned and a charge equal to three months subscription for the following year will apply. If loss of capacity occurs on 1st December then the remaining one month subscription is not returned and a charge equal to five months subscription for the following year will apply.

- e. The Executive Committee may propose the expulsion of a member of the Association after hearing the defense of the party concerned. Where applicable, the expulsion may be pronounced by the General Council upon a two thirds majority of the members present or represented. The Executive Committee may suspend the party concerned until a decision is issued by the General Council. In the event of expulsion the remaining subscription for the calendar year will be refunded to the member from the date of expulsion.

Article 7

In the event of resignation, dismissal or expulsion, a former member and its assigns shall have no claim against the assets of the Association.

In the event of loss of membership, the former member shall be prohibited from making any use whatsoever of its previous capacity as a member.

TITLE IV SUBSCRIPTIONS

Article 8

- a. The amount of the annual subscription is fixed by the General Council and consists of:
- a fixed element which is the same for all the member companies,
 - a variable element, depending on premium income.
- b. For fixing the variable element of the annual subscription the General Council considers the premium income from all legal protection contracts of members, irrespective of whether members manage them on their own behalf or on behalf of another company. However, to prevent that premium income for the same legal protection contracts are doubly included in the calculation of the annual subscription, the member concerned can invoke that premiums from contracts which it manages in the name of another member, have already been taken into account in the calculation of the variable fee of the other members and can therefore request that they are to be excluded from the calculation of its own variable fee. If a member concerned wishes to do so, it is free to request from the other member or members that the variable fee is being split between them. In such a case, the member must substantiate its request and all members concerned must agree to the split payment.

TITLE V GOVERNING BODIES

Article 9

The governing bodies of the Association are:

- the National Section
- the General Council
- the Executive Committee
- the President
- the Secretary General

TITLE VI NATIONAL SECTIONS

Article 10

- a. The National Section consists of all the companies that are members of the Association and have their registered offices in the same country.
- b. Each Section may adopt its own Statutes and Internal Regulations provided they are not in conflict with or contrary to the present Statutes or other regulations governing the activity of the Association.

- c. The National Section shall be represented on the General Council by Delegates and all members are invited to participate in the meetings. Each delegate has one vote.
- The number of the Delegates is determined by the premium income of the Section as a percentage of the total premium income of all the members of the Association, as follows:
- percentage of premium income of the section < 4%: 1 Delegate,
 - percentage of premium income of the section = 4%, but < 15%: 2 Delegates,
 - percentage of premium income of the section = 15%, but < 20%: 3 Delegates,
 - percentage of premium income of the section = 20% and over: 4 Delegates.
- d. If the premium income of a Section should fall, its number of Delegates must be reduced. The Delegates then leave office at the end of the calendar year in progress and new elections must be held immediately. If the premium income increases, the corresponding number of Delegates shall be increased immediately.
- e. Delegates must be members of the management board or board of directors of the member companies. The loss of board membership shall automatically result in the termination of the Delegate's mandate unless it is renewed by the Section concerned.
- f. A Delegate may be represented only by another Delegate in possession of a written form of proxy. A Delegate may not act as proxy for more than three other Delegates.

TITLE VII GENERAL COUNCIL

Article 11

The general management body, referred to as the General Council, consists of all the Delegates. It is chaired by the President of the General Council or, failing that, by the longest serving Vice President. Each Delegate has one vote. Resolutions of the General Council shall be passed by a simple majority of the Delegates present or represented unless the present Statutes require a different majority.

Article 12

The General Council shall meet at least once a year at the written invitation of the President, sent at least eight days in advance and accompanied by the agenda. A quorum exists when at least two thirds of all the Delegates are present or represented. If there is no quorum, a new meeting shall be convened within the month and shall be able to deliberate validly irrespective of the number of Delegates present or represented. Extraordinary meetings must be convened by the President if requested by a minimum of three National Sections.

Article 13

The General Council has the power:

- to lay down the policy and the programme of activities of the Association
- to elect the Executive Committee and to designate from among its members the President and the two Vice-presidents
- to approve the annual accounts drawn up by the Executive Committee
- to adopt the budget of the Association drawn up by the Executive Committee for the following year
- to fix the subscriptions for the coming year and the methods of payment
- to resolve amendments of the Statutes
- to appoint honorary members
- to resolve on the affiliation of a new member at the request of the Executive Committee
- to resolve on the expulsion of a member at the proposal of the Executive Committee
- to establish, where applicable, a Code of Conduct and Internal Regulations.

Article 14

The General Council may amend these Statutes with the approval of two thirds of the National Sections.

Article 15

- a. Except for the election of the members of the Executive Committee and the appointment of the President, all votes shall be by a show of hands unless at least two thirds of the Delegates present and represented call for a secret ballot.
- b. Resolutions passed by the General Council shall be brought to the attention of the membership by sending the minutes of the meeting to the Delegates, who shall then inform the members of their National Sections.

TITLE VIII ADMINISTRATIVE BODIES

Article 16

The Association shall be directed and administered by an Executive Committee and by a Secretariat General, both of which are administrative bodies of the Association

Article 17: Executive Committee

- a. The Executive Committee should be composed of the President, two Vice-Presidents and five other members. However, as a minimum, it shall consist of three members, namely the President, a Vice-President and one other member.

The members of the Executive Committee shall be elected by the General Council from among its members by a simple majority of the votes cast. The mandate is for three years and is renewable.

Each member of the Executive Committee can nominate one person who can be admitted as substitute to the meetings of the Executive Committee should the member be unable to attend. The General Council must approve the nominations.

- b. It is the responsibility of the Executive Committee:
 - to submit proposals to the General Council regarding the fulfilment of the corporate purposes of the Association and to implement its decisions.
 - to decide on the affiliation of new members and to submit their applications to the General Council
 - to propose the expulsion of a member to the General Council
 - to draw up the agenda for the meetings of the General Council
 - to record the decisions taken in reports to be communicated to the membership
 - to take all measures necessary for the proper functioning of the Association.
- c. In addition to the powers of the President and the Secretary General, the Executive Committee is authorised, within the limits of the budget, to delegate certain tasks to one of its members or to an outsider. Within the same framework, the Executive Committee may, with the authorisation of the General Council, appoint a Scientific Committee.
- d. The Executive Committee shall meet at least twice a year. The presence of at least three members is required for a quorum.
- e. The decisions of the Executive Committee shall be passed by a simple majority.
- f. Furthermore, the provisions of Article 12 shall be applicable with regard to the convening of meetings and the absence of a quorum.
- g. A member who ceases to be a Delegate shall automatically cease to be a member of the Executive Committee. A successor must then be elected for the remainder of his mandate on the occasion of the next meeting of the General Council.

Article 18: President

- a. The General Council shall elect the President by secret ballot with a simple majority of the votes of the Delegates present and represented.
- b. It is the President's responsibility:
 - to manage and coordinate the Association and its activities,
 - to convene and preside over the meetings of the Executive Committee and the General Council.
- c. If the President is unable to discharge his functions, he shall be replaced by the longest serving Vice President, until a new President is elected by the next meeting of the General Council.

Article 19: Secretariat General

- a. The Secretary General shall be appointed by and report to the Executive Committee. He may receive a remuneration within limits laid down in the budget.
- b. It is the responsibility of the Secretary General:
 - to take care of the day-to-day running of the Association
 - to assist the members of the General Council and the Executive Committee in coming to their decisions and in implementing them
 - to propose subjects for the Conferences and Seminars
 - to draw up the annual accounts and to prepare the budget
 - to administer the membership subscriptions
 - to receive and disseminate information from the Delegates and the member companies
 - to represent the Association in relations with European institutions and on the international level
- c. The Secretary General shall attend the meeting of the General Council and the Executive Committee but shall not have the right to vote.

Article 20

The Association shall be represented in relations with third parties and the courts, as well as in all legal deeds, by President or the Secretary General or, in his absence, by two members of the Executive Committee.

TITLE IX FINANCIAL MANAGEMENT

Article 21

- a. The financial year shall begin on the first of January and end on the thirty first of December of each year.
- b. The budget of the Association for each year shall be drawn up by the General Council, as provided in Article 8.
- c. Each member has individual powers of investigation and control.
- d. In the event that the association is obliged to appoint an auditor or if the association voluntarily decides to appoint an auditor, the General Council shall convene in order to determine the identity of the auditor(s) chosen from among the members of the '*Institut des Réviseurs d'Entreprises*' (Institute of Company Auditors) who are natural or legal persons. The auditor(s) will then be appointed for a renewable term of 3 years by the General Council.

The audit shall be conducted once a year.

The auditor's report must be submitted to the Executive Committee for the attention of the General Council.

Article 22

The running expenses of the Association shall come from the membership subscriptions and from any financial contributions received from private individuals, governments and national, international and EU institutions, in compliance with the relevant laws in force.

**TITLE X
DISSOLUTION AND LIQUIDATION**

Article 23

The Association may be dissolved by a resolution of the General Council upon a decision approved by at least two thirds of the National Sections.

A motion to dissolve the Association may be placed on the agenda of the General Council only if all the National Sections are given at least three months' prior written notice.

In the event of a voluntary dissolution of the Association, the General Council or, failing that, the court, shall appoint one or more liquidators and lay down their powers and the modalities of the liquidation, as well as the appropriation of the net proceeds, which must be allocated to a charitable organisation for a non-profit purpose.

The decisions taken and the name, profession and address of the liquidator(s) shall be published in the supplements of the *Moniteur belge*.

**TITLE XI
MISCELLANEOUS PROVISIONS**

Article 24

Any matter not provided for in these Statutes or in the Internal Regulations shall be governed by the provisions of provisions of Chapter 10 of the Code on Companies and Associations of 23 March 2019 and any amendments thereto, as well as by the customary practices for international non-profit associations.