



CHARTER

of

The Austrian Insurance Association
(Verband der Versicherungsunternehmen Österreichs)

§ 1 Name, Registered Office and Financial Year

1. The Austrian Insurance Association (hereinafter referred to as the Association) is an organization that has its registered office in Vienna.

The Association's corporate identity is expressed by its corporate design, which comprises a logo and the name in abbreviation, i.e. the acronym VVO. Its identity is also expressed by the designation of its full name in the following foreign languages:

English: The Austrian Insurance Association
French: Association Autrichienne des Assurances
Spanish: Asociación Austriaca de Entidades Aseguradoras

2. The accounting year of the Association corresponds to the calendar year.
3. References to persons used in this Charter (e.g. Secretary General, Secretaries, President, Vice-President, Representatives, Chairperson, Auditor) encompass both genders.

§ 2 Purpose

1. The objectives of the Association shall be the protection and promotion of the common interests of its member companies operating within the framework of the Austrian economy, as well as safeguarding fair competition. This shall be achieved by uniting the member companies (Section 3) in order that they may discuss and consider matters of common interest, make statements on economic and legislative developments that relate to the insurance business, represent common concerns externally, further develop the basis of commercial activities, as well as balance the individual interests of Association members.
2. The Association shall promote cooperation with the respective national and international institutions with a view to safeguarding the interests of its member companies.
3. The Association shall deal with matters relating to contract insurance at the international level; this includes the performance of all tasks emanating from the "Uniform Agreement between Bureaux" (London Agreement) with regard to the International Insurance Card used in third-party liability insurance for motor vehicles on the one hand, and the Agreement with the Republic of Austria on the cover of damage caused by motor vehicles which are not permanently located in Austria (insurance taken out when crossing the Austrian border) on the other.

4. The Association shall address those tasks and issues, which according to the Federal Law on the Extended Protection of Traffic Accident Victims (Federal Law Gazette No. 322/77, as amended) and the Federal Law on Motor Vehicle Third-Party Liability Insurance (Federal Law Gazette No. 651/94, as amended), as well as other provisions, are deemed to be the responsibility of the Trade Association of Insurance Companies (Fachverband der Versicherungsunternehmen).
5. The Association shall establish or maintain appropriate facilities which protect the member companies against the assumption of increased risk when they are not aware of circumstances which pertain to danger, as well as facilities that serve to loss mitigation or loss prevention, or to prevent or detect insurance fraud.
6. The Association shall provide services in so far as they are in the interests of the insurance business, including the use of automatic data processing and information technologies, particularly in the fields of personal and non-personal insurance, but also in the field of economic sciences and damage reduction.
7. The Association shall plan, prepare and implement media campaigns, as well as direct programs in order to improve the knowledge and perception of the insurance business in general and/or individual fields of the insurance business in particular. Furthermore, the Association shall deal with the preparation and publication of information on the Austrian and the international insurance business.

The Association shall also handle complaints by endeavoring to mediate between complainants and the member companies concerned.

8. The Association shall organize basic and further training programs which are also accessible to those who work outside the insurance business. This shall also be done with a view to linking academic and practical aspects.
9. The Association shall conclude the collective bargaining agreements with the competent representative bodies of the employees of member companies.

§ 3 Membership

1. Regular membership of the Association may be obtained by contract insurance companies licensed in Austria pursuant to Section 4 of the Law on the Supervision of Insurance Companies (VAG), insurance societies whose activities are limited to asset management and which have organized their operations as joint-stock companies (in accordance with Section 61a+ and following of the VAG), as well as other Austrian insurance holdings and insurance asset management companies, insurance companies which have their registered office in an EEA member state and operate a branch for contract insurance in Austria in accordance with Section 7 of the VAG, as well as pension funds. Small mutual insurance societies within the meaning of Section 62 of VAG can become a member of the association as a group.
2. Associate membership of the Association may be granted to insurance companies which are based in an EEA member state and which operate their insurance business in Austria within the context of the free movement of services in accordance with Section 14 of the VAG or which are active in the reinsurance business without having a branch office in Austria.
3. It shall be in the interest of the Austrian insurance sector that all insurance companies active in Austria are members of the Association.

4. When obtaining membership of the Association, members shall also gain membership of the respective common facilities of the insurance sector which help prevent damage, as well as membership of other subordinate common facilities.

If membership of such common facilities is not possible, the members of the Association undertake to contribute to the cost of these facilities commensurate with the extent agreed upon by the Association.

5. Upon their written application, new members shall be admitted by a decision of the Presidential Council.

§ 4 Rights and Duties of Member Companies

I.

1. Regular members shall have the rights and duties that arise from the present Charter. Associate members shall have the same rights and duties as regular members, except for the voting right relating to the bodies of the Association (Section 7).
2. All member companies shall have the right to use the Association's existing facilities in accordance with the objectives of the Association.

II.

1. Member companies shall be obliged to help execute the tasks of the Association in an active manner.
2. Member companies shall comply with the Charter and are obliged to abide by decisions taken within the framework of the present Charter.
3. Member companies shall provide information that serves to achieve the Association's objectives or which is necessary for calculating the membership fees; furthermore, they shall supply the pertaining respective materials.
4. All newly admitted members shall be obliged to accept and abide by the Association's previous decisions.

§ 5 Termination of Membership

1. Membership of the Association may be terminated by giving notice as of the end of a given calendar year. Notice shall be given in the form of a registered letter, delivered to the Association not later than 30 September.
2. A member company may be excluded from the Association by decision of the General Assembly, if it acts contrary to the objectives of the Association as indicated in Section 2, neglects its duties pursuant to Section 4 II, or fails to effect payment in accordance with Section 6 despite reminders. A member company shall be notified of its expulsion by registered letter in which the reasons for the expulsion shall be indicated.
3. If a member company withdraws from the Association, it shall be liable for the Association's liabilities open as of the date of its withdrawal in proportion to the ratio between its total income from premiums during the previous full calendar year, when it was still a member of the Association, and the total premium income of all member companies for that same period.
4. In so far as obligations of the Association are not covered by assets of the Association at the time at which a member company withdraws from the Association, their value as calculated for

that date shall be paid to the Association in cash within one month upon a request for such payment.

5. Any rights to the Association's assets shall lapse upon termination of membership.

§ 6 Membership Fees

1. The member companies shall pay membership fees to cover the costs of operating the Association.
2. The fees to be paid for an accounting year shall be fixed by the General Assembly,. The amount of the membership fees shall be based on a fee system which the General Assembly shall approve.
3. If the situation of member companies deviates from that of other companies, the Presidential Council may fully or partially exempt them from their obligation to pay membership fees for specific insurance branches. The Presidential Council shall also establish the amount of additional contributions to be paid by companies belonging to particular Sections or operating in these insurance branches, to cover the Association's costs of said Sections or branches.
4. If necessary, the Association shall be entitled to request member companies to make advance payments in relation to their membership fees or additional contributions.
5. Membership fees, additional contributions and advance payments shall be paid by member companies within two weeks of receipt of any request for such payment.

§ 7 Bodies of the Association

1. The Association's bodies shall be:
 - a) the General Assembly
 - b) the Presidential Council
 - c) the Presidential Committee
 - d) the Sections
 - e) the standing Technical Committees.
2. All posts in the Association's bodies and all other units are honorary.
3. Unless decided otherwise by the General Assembly, the term of office of the Representatives elected and nominated as per Section 9 I shall end upon the termination of the assembly or meeting at which a new election was held or new nominations were announced. If elected or nominated Representatives resign from their posts in the member companies, which was the precondition of their eligibility and/or nomination, their mandate in the respective body shall expire. If, during a term of office, there is a by-election or replacement nomination as a result of the early withdrawal of a Representative, the election and/or nomination of a substitute shall be effective only for the remaining term of office of the person who has withdrawn early.
4. Minutes shall be kept of the subject matters under consideration by a body of the Association. The respectively responsible Chairperson shall approve the minutes which shall then be sent to all members of the respective body. The respective Managing Director shall be responsible for drawing up these records.
5. The Chairperson may allow guests to be present at meetings of the Association's bodies.

§ 8 The General Assembly

I.

1. Each member company shall delegate one Representative to participate in the General Assembly of the Association. Said representative must be a member of the board of management, a member of the executive management or a senior employee (in accordance with the 1965 Law on Shares, Section 80 (1) second sentence) of the respective insurance company.
2. Member companies may be represented at the General Assembly on the basis of a written proxy, namely by the Representative of another member company; however, no Representative of a company may have more than three votes.

II.

The General Assembly shall be obliged to

- a) take a decision on the election regulations governing the election of the six elected members of the Presidential Council and the members of the Presidential Committee, as well as elect the six elected members of the Presidential Council;
- b) elect the independent auditor, as well as two accountants and two deputies;
- c) take decisions on motions and reports submitted by the Presidential Council;
- d) take decisions on motions submitted by member companies; however, the President shall have the right to defer any motions which have not reached the Association by registered letter one week prior to the General Assembly, at the latest, to the next General Assembly;
- e) approve the annual report, the annual budget and the annual accounts, as well as give its formal discharge to the Presidential Council;
- f) take decisions on the membership fee system and fix the annual fees to be paid by member companies;
- g) take decisions on any amendments of the Charter;
- h) take decisions on the conclusion, amendment or termination of collective bargaining agreements;
- i) take decisions on the expulsion of a member company;
- j) take the decision to wind up the Association.

III.

1. The regular meeting of the General Assembly of the Association shall convene once a year. Moreover, the President shall have the right to convene an extraordinary meeting of the General Assembly, if necessary; the President shall be obliged to convene an extraordinary meeting of the General Assembly if a minimum of 6 member companies so request indicating the reason for the same.
2. Any invitation to a meeting of the General Assembly shall contain the agenda and be sent to each member company in good time, ensuring that there is a period of at least 14 days between the dispatch of the invitation and the date of the meeting of the General Assembly. In the event of special urgency, which shall itself be decided by the Presidential Committee, invitations may refer to an earlier date and be communicated as quickly as possible (by telegram, telephone, telex, fax or e-mail).

3. A meeting of the General Assembly shall be chaired by the President; in the event that such is not possible, the meeting shall be chaired by a Vice-President.
4. A meeting of the General Assembly shall constitute a quorum, if at least half of the member companies are represented.
5. Unless the law or the present Charter do not call for a larger majority of votes, decisions shall be taken by simple majority voting by those entitled to vote and who are present or represented; in the event of a tie, a motion shall be deemed to have been rejected.
6. Any decision to amend the present Charter, to expel a member company or to dissolve the Association shall require that at least three quarters of the member companies are represented at the meeting and that at least three quarters of the votes cast support such a resolution.
7. If a meeting of the General Assembly does not have the quorum necessary to deal with the duly announced agenda because the requisite number of member companies are not represented, half an hour shall pass before a meeting of the General Assembly shall be deemed to constitute a quorum for that same agenda, irrespective of the number of member companies represented. All invitations to meetings of the General Assembly shall contain an explicit reference to this procedure.
8. As a matter of principle, voting shall be by way of open ballot. Exceptions to this rule shall be the election of members of the Presidential Council, who are elected by secret ballot.
9. If motions are submitted in accordance with Section 8 II. b), c), d) and h), the member companies may also take their decision in writing. A vote by correspondence shall be launched by way of an identical circular letter sent simultaneously by registered mail to all member companies. Member companies are obliged to communicate their decision in writing within a period of eight days. A motion submitted for voting shall be deemed to have been adopted, if all member companies have given their unreserved consent; failure to respond, or a late response, shall be regarded as consent in this connection.

§ 9 The Presidential Council

I.

1. In addition to six members directly elected by the General Assembly, the Presidential Council shall comprise of a further twelve members who are the nominated representatives of the listed companies. The term of office of both the elected and the nominated members shall be four years. Eligibility for nomination or election as a member of the Presidential Council shall be restricted to members of the board of management or members of the executive management of a member company.
2. To identify the twelve member companies to be listed, the Director General shall draw up a list of membership fees paid by member companies, eight weeks prior to the General Assembly at which the six other members of the Presidential Council will be elected. This list shall be based on the membership fees (Section 6 (2)) shown in the most recent annual accounts, and shall thus indicate the twelve member companies that have paid the highest amounts. The aforementioned list shall be valid for the entire term of office.

The listed member companies which are identified in the manner described above shall be requested by registered letter to nominate one Representative each to the Presidential Council. The names of nominees shall be submitted in writing by their respective companies and announced at the General Assembly.

3. The six members to be elected to the Presidential Council shall be elected by the General Assembly by way of secret ballot. Re-election shall be admissible.
4. All member companies which are not yet represented in the Presidential Council as listed member companies shall have the right to vote.
5. If a nominated member of the Presidential Council withdraws early, the member company that nominated said member shall nominate a replacement for the remaining term of office. All member companies shall be informed in writing about the identity of the nominated replacement.
6. If an elected member of the Presidential Council withdraws early, a by-election shall be held at the next meeting of the General Assembly in order to elect a replacement for the remaining term of office. The aforementioned provisions governing elections shall also apply to the election of replacements.

II.

The Presidential Council shall govern the Association through formulating its long-term policy. It shall

- a) elect the members of the Presidential Committee;
- b) submit motions to the General Assembly with regard to the annual budget, the annual accounts, the election of auditors and any possible new provision for the calculation of membership fees (fee system);
- c) decide upon motions and reports submitted by the Presidential Committee;
- d) admit new members;
- e) appoint Technical Committees, as well as appoint the Chairpersons and the Deputy Chairpersons of these Technical Committees (Section 12);
- f) fix the amount of any additional contributions;
- g) decide upon any exemptions from the obligation to pay membership fees of member companies in accordance with Section 6 (3);
- h) appoint and recall the Director General and the Secretaries (Section 13).

III.

1. The Presidential Council shall be convened by the President or, if such is not possible, by one of the Vice-Presidents. Meetings of the Presidential Council shall be convened several times during a business year, as is necessary. They shall be convened within two weeks of any request for such a meeting by at least one third of the members of the Presidential Council, indicating the reasons for convening a meeting.
2. The provisions of Section 8 III. 2 shall apply in analogy.
3. The President shall chair the election of members to the Presidential Committee.
4. The Presidential Council shall constitute a quorum, if all members of the Presidential Council have been duly invited to a meeting, and if the President or one Vice-President and at least nine other members, including two elected members, are present. The Presidential Council shall take

decisions by way of simple majority voting. In case of any tie, the Chairperson shall have the casting vote.

5. A member of the Presidential Council may be represented by another member of the Presidential Council, save for elections to the Presidential Committee; however, no member of the Presidential Council may have more than three votes.
6. Motions pursuant to Section 9 II. b), c), d), e), f) and g) may also be decided through a vote by correspondence, applying Section 8 III. 9 mutatis mutandis, provided that the said motion submitted for voting shall be deemed to have been adopted if two thirds of the members of the Presidential Council have give it their unreserved consent. Failure to respond shall be considered as a rejection.
7. Depending on the subject matter under discussion, the Presidential Council shall hear the Chairpersons of the Sections, the standing Technical Committees, as well as the other common facilities of the insurance sector, prior to taking any decision. These Chairpersons may also be invited as guests to meetings of the Presidential Council.

§ 10 The Presidential Committee

I.

1. The Presidential Committee shall consist of five members, who are elected by secret ballot from among the members of the Presidential Council for a mandate of two years. Eligibility as to membership of the Presidential Committee shall be restricted to the managing directors of member companies. Re-election shall be admissible.
2. Corporate groups may only be represented by one person on the Presidential Committee.
3. All members of the Presidential Council shall have the right to vote.
4. If a member departs early from the Presidential Committee, the members of the Presidential Council shall elect a replacement for that member for the remaining term of office at its next meeting. The aforementioned provisions shall apply in analogy to the by-election.
5. The Presidential Committee shall elect the President from among its members, whose mandate shall be for a maximum period of three years. Following a maximum term of office of three years, a President may not be re-elected for the immediately following term – irrespective of its duration. In the event that the President dies, resigns or is prevented from his functions for a longer period of time during his term of office, the Presidential Committee shall decide which of the other members of the Presidential Committee (Vice-Presidents) shall fulfill the function of President until the next election; such an appointment may be limited in time or may be restricted to certain matters, so that the chair of the Presidential Committee may also rotate during the period of the vacancy.

II.

1. In line with the guidelines established by the Presidential Council, the Presidential Committee shall take decisions on all matters pertaining to the management of the Association, unless they are reserved to the Presidential Council according to Section 9 II. Furthermore, the Presidential Committee shall prepare the decisions of the Presidential Council.
2. In urgent matters which come under the competences of the Presidential Council, the Presidential Committee may take all measures which are absolutely necessary and required immediately. The Presidential Council shall be informed of such measures at the earliest point in time.

3. In urgent matters which come under the competences of the Presidential Committee, it shall be the President's duty to take all measures which are absolutely necessary and required immediately. The Presidential Committee shall be informed of such measures at the earliest point in time.
4. The President shall chair meetings of the Presidential Committee and of the Presidential Council, as well as of the General Assembly.

III.

1. The Presidential Committee shall be convened by the President, or by one of the Vice-Presidents, if the President is prevented. The Presidential Committee shall take its decisions by simple majority voting. In the event of a tie, the Chairperson shall cast the decisive vote.
2. The President shall determine which Vice-President shall represent him during any temporary absence.
3. The Presidential Committee may adopt its own rules of procedure (assignment of responsibilities).

§ 11 The Sections

1. Special questions relating to individual branches of the insurance sector shall be dealt with by Sections, to which all member companies shall belong that are active in the respective branch of the insurance sector in Austria.
2. It is possible to establish a Section that serves several branches of the insurance sector if this is expedient. The Presidential Council shall decide the question of expediency.
3. Every member company shall delegate a representative to the General Assembly of the Section. This representative shall be a member of the board of management, a member of the executive management or a senior employee (in accordance with the 1965 Law on Shares, Section 80 (1) second sentence) of the respective insurance company.
4. The General Assembly of every Section shall elect up to twelve persons from among the members of the board of management, the executive management or the senior employees (in accordance with the 1965 Law on Shares, Section 80 (1) second sentence) of its member companies. The members of a Section Committee shall be elected for a period of four years. The General Assembly of a Section may confer all or some of its competences to the Section Committee. The Committee, chaired by its most senior Committee member, shall elect from its midst a Chairperson, as well as a First and Second Deputy Chairperson. Re-election as member of the Section Committee shall be admissible. If a Committee member resigns, the Section Committee may fill the vacancy by co-option until the end of the term up to the maximum number of members, or by appointing replacements, if Committee member are prevented from their duties for a longer period; such an appointment shall be announced at the next General Assembly of the Section.
5. A General Assembly of a Section shall be chaired by the Chairperson of the Committee, who is the Chairperson of the Section. If prevented from this duty, the First Deputy, and then the Second Deputy Chairperson shall chair the General Assembly of a Section.
6. The members of the Presidential Council, as well as the Director General shall have the right to attend the General Assemblies of the Section, as well as the meetings of the Section Committees at which they shall be heard in a consultative function.

7. A meeting of the General Assembly of a Section and of a Section Committee shall constitute a quorum, if the Chairperson, or one of the Deputy Chairpersons, and at least half of its members are present. They shall take their resolutions by a majority of at least two thirds of the votes cast.
8. Within their terms of reference, the Sections shall have the right to take decisions that are binding on all member companies belonging to that Section. Resolutions with a significance beyond the individual insurance branch, or which are likely to have an impact on the Association's policy, shall require the consent of the Presidential Council in order to become effective.
9. The Section Committees shall establish their own rules of procedure with the agreement of the Presidential Council.

Section 14 (1) and (2) shall also apply to Sections.

10. The Presidential Committee may convene an assembly of the members of the respective Sections, in order to deal with questions pertaining to these branches. Such meetings shall be chaired by the President or the Chairperson of one of the participating Sections, when so instructed by the President.

Section 11 (6) and (8) shall apply in analogy.

For the application of Section 11 (7), the provision on the necessary presence and majority shall apply to the total number of members of the respective Sections.

§ 12 The Standing Technical Committees

The Presidential Council may establish Committees for the preparation of expert opinions. Such Committees shall consist of a maximum of seven persons who shall be a member of the board of management, a member of the executive management, or a senior employee (in accordance with the 1965 Law on Shares, Section 80 (1) second sentence) of their respective member company. The Presidential Council shall appoint the Chairperson and the Deputy Chairperson of a Committee.

The members of the Presidential Council and the Director General shall have the right to attend meetings of the Technical Committees at which they shall be heard in a consultative function.

§ 13 Managing Directors

1. The Director General, who shall be appointed by the Presidential Council, shall be responsible for managing the Association.

When called upon to address specific matters, the Director General shall be assisted by Secretaries who are also appointed by the Presidential Council; said Secretaries may also represent the Director General in individual instances.

2. The Director General and the Secretaries are nominated indefinitely and shall be responsible for managing the Association in accordance with the instructions of the Presidential Council.

The Presidential Committee may draw up rules of procedure for this purpose.

§ 14 Authorized Representatives and Signatory Powers

1. The President shall represent the Association in and out of court. If the President is prevented, a Vice-President shall be the official representative.

2. Two members of the Presidential Committee, or one member of the Presidential Committee together with the Director General or one Secretary, shall have the authority to issue declarations of intent, as well as to sign documents on behalf of the Association.
3. The Presidential Committee may grant the Director General and the Secretaries the authority to sign certain types of declarations of intent and other documents of the Association and its Sections.

§ 15 Settling of Disputes Arising from the Relations to the Association

1. Any disputes arising from the relations to the Association shall be settled by an arbitral tribunal, without recourse to the normal courts of law.
2. The plaintiff and the defendant shall each appoint two arbitrators to the arbitral tribunal. The arbitral tribunal shall also consist of a chairperson who shall be appointed jointly by the four arbitrators. The arbitrators and the chairperson shall be selected from among the members of the board of management, the executive management or the senior employees (in accordance with the 1965 Law on Shares, Section 80 (1) second sentence) of the member companies.
3. The plaintiff shall serve the complaint on the defendant by registered mail and shall nominate two arbitrators at the same time. Upon receipt of the complaint, the defendant shall be obliged to nominate by registered mail two arbitrators within two weeks of the receipt of the complaint. If the defendant fails to do this, these two arbitrators shall be appointed by the Presidential Committee.
4. The arbitrators thus appointed shall elect a chairperson. If the arbitrators fail to reach an agreement on the person of the chairperson within one month of their appointment, the selection of a chairperson shall be decided by lot from among the persons nominated by the Presidential Committee.
5. In all other respects, the provisions of the Austrian Code of Civil Procedure concerning arbitral tribunals shall apply.

§ 16 Dissolution of the Association

1. In the event of the dissolution of the Association, the assets which remain after liquidation shall be distributed among its members according to the same principles that govern the payment of fees (Section 6), unless the General Assembly which takes the decision on the dissolution of the Association decides otherwise by a majority of at least three quarters of the votes cast.
2. If the Association's assets are insufficient to cover the liabilities of the Association, the members shall be liable for the outstanding amount on a pro-rata basis regarding their total premium income in the calendar year immediately preceding the date of dissolution in relation to the total premium income of all members during that same period. This liability shall continue until all outstanding liabilities have been settled in full.

§ 17 Entry into Force

The amendments adopted by the meeting of the General Assembly on 4. December 2008 shall enter into force upon having received the approval of the competent authorities.