

Company number: 412787

THE COMPANIES ACTS 1985 AND 2006

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

MOTOR INSURERS' BUREAU

Incorporated 14 June 1946

THE COMPANIES ACTS 1985 AND 2006

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

MEMORANDUM OF ASSOCIATION

OF

MOTOR INSURERS' BUREAU

(As amended by special resolution passed on 10 June 2010)

1. The name of the company is "MOTOR INSURERS' BUREAU" (the 'Bureau').
2. The registered office of the Bureau will be situate in England.
3. The objects for which the Bureau is established are:
 - (A) (i) To provide a safety net for innocent victims of identified and uninsured drivers to satisfy, or provide for the satisfaction of, claims, judgements, awards or settlements in respect of any liability required to be covered by contracts of insurance or security under Part VI of the Road Traffic Act 1988 or by any other statute, statutory instrument, rule, regulation, order, directive or similar measure introduced by any competent authority or at common law or by custom.
 - (ii) To take all such measures as may be deemed expedient with a view to securing that persons having claims caused by or arising out of the use of motor vehicles (as defined in s185 Road Traffic Act 1988) by persons making a temporary stay in Great Britain or by persons for whom they may be responsible shall be in no worse position either in law or in relation to the objects of the Bureau than persons having such claims against persons permanently resident in Great Britain.
 - (iii) To make payments or allowances to persons injured and to the dependants of persons killed through the use of motor vehicles.
 - (iv) To take such action as the Bureau shall determine to assist the victims of motor accidents and/or reduce the number of uninsured drivers.

- (B) To enter into any agreements or arrangements with any governments or authorities, municipal, local or otherwise, or any corporations or persons (including the Members of the Bureau) that may seem conducive to the Bureau's objects, and to obtain from any such government, authority, corporation or person any rights, privileges and concessions which the Bureau may think it desirable to obtain, and to carry out, exercise and comply with any such agreements, arrangements, rights, privileges and concessions.
- (C) To act as arbitrators or mediators or to nominate arbitrators or mediators for the settlement of disputes.
- (D) To pay, satisfy or compromise any claims made against the Bureau (whether or not enforceable) which it may seem expedient to pay, satisfy or compromise.
- (E) To acquire by assignment any judgements or choses in action or any rights or privileges which the Bureau may think necessary or convenient for the promotion of its objects, and to enforce the same.
- (F) To operate the Green Card System and to provide (on such terms as it deems appropriate) to its Members and/or their Accredited Agents (as defined in the Articles of Association of the Bureau) or otherwise approve the print of Forms of International Motor Insurance Card (commonly known as 'Green Cards').
- (G) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property.
- (H) To undertake and execute any trusts and to act as the agents of any other person.
- (I) To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Bureau as may be thought expedient with a view to the promotion of its objects.
- (J) Deleted
- (K) To borrow and raise money and secure any debt or obligation of or binding on the Bureau in such manner as may be thought fit, and in particular by mortgages or charges upon the undertaking and all or any of the real and personal property and assets (present or future) for the time being of the Bureau, and whether with or without the Bureau receiving any consideration to guarantee or secure (with or without a mortgage or charge on all or any part of the undertaking and assets, present and future for the time being of the Bureau) the performance of the obligations of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary of the Bureau (as defined by Section 736 of the Companies Act 1985) or the holding company (as defined by the said Section) or another subsidiary (as so defined) of the Bureau's holding company or otherwise associated with the Bureau in

business and (without prejudice to the generality of the foregoing) to procure bankers or others to guarantee all or any of the obligations of the Bureau.

- (L) To invest the moneys of the Bureau not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.
- (M) To do any of its objects by itself or through subsidiary, associated or related companies or through any agent or nominee.
- (N) To establish and support or aid in the establishment and support of any charitable or benevolent associations or institutions and to subscribe or guarantee money for charitable or benevolent purposes in any way connected with the purposes of the Bureau or calculated to further its objects.
- (O) To develop added value services, including but not limited to, charging for the facilitating of authorised access to data contained on the Motor Insurance Database maintained by the Bureau and the provision of training services to any person, company or government body or authority to defray any costs, losses or expenses of the Bureau in connection with the operation of the Bureau.
- (P) Pursuant to the requirements of Directive 2000/26/EC (fourth motor insurance directive), to establish a national information centre to allow for insurance details of vehicles to be accessible by the keeping of a register holding certain details, including but not limited to, registration numbers and insurance policy numbers, for the purposes of allowing an injured party to seek compensation.
- (Q) To extend any of its objects to any country or territory.
- (R) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

Provided that the Bureau shall not support with its funds any object, or endeavour to impose on or procure to be observed by its Members and/or their Accredited Agents or others, any restrictions or conditions which if an object of the Bureau would make it a Trade Union.

The objects of the Bureau as specified in each of the foregoing paragraphs of this clause (except only if and so far as otherwise expressly provided in any paragraphs) shall be separate and distinct objects of the Bureau and shall not in any way be limited by reference to any other paragraph or the name of the Bureau.

4. The income and property of the Bureau shall be applied solely towards the promotion of the objects as set out in this Memorandum of Association, and no portion shall be paid or transferred

directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to the Members and/or Accredited Agents of the Bureau.

Nothing herein shall prevent the refund to any Member of any amount of overpaid levy or the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Bureau, or to any Member and/or Accredited Agent, in return for any services actually rendered to the Bureau, nor prevent the payment of interest at a rate agreed by the Board on money lent or reasonable and proper rent for premises demised or let by any Member and/or Accredited Agent to the Bureau, but no member of the Board (save the Executive Directors) shall be appointed to any salaried office of the Bureau or to any office of the Bureau paid by fees, and no remuneration or other benefit or money's worth shall be given by the Bureau to any member of such Board except interest as agreed by the Board on money lent or reasonable and proper rent for premises demised or let to the Bureau or repayment of out-of-pocket expenses

5. The liability of the Members is limited.
6. Every Member undertakes to contribute to the assets of the Bureau, in the event of the Bureau being wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the debts and liabilities of the Bureau contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding £5.00.
7. If upon the winding up or dissolution of the Bureau there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Bureau and/or their Accredited Agents, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Bureau, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Bureau under or by virtue of clause 4 of this Memorandum of Association, such institution or institutions to be determined by the Members of the Bureau at or before the time of dissolution.

THE COMPANIES ACTS 1985 AND 2006

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

ARTICLES OF ASSOCIATION

OF

MOTOR INSURERS' BUREAU

(Amended by special resolution passed on 10 June 2010)

GENERAL

1. Interpretation

- (1) In these Articles (except where the context otherwise requires) the following words shall have the following meanings:

Words	Meanings
Accredited Agent	A person appointed by a Member pursuant to Article 5;
The Act	The Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;
Articles	These articles of association of the Bureau;
Board	The board of directors of the Bureau;
Bureau	Motor Insurers' Bureau;
ceased to carry on motor business	Has the meaning set out in Article 10(1)(b) of these Articles;

Chief Executive	The member of the Board appointed pursuant to Article 49 (3);
clear days	That period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
Communications	Has the same meaning as in the Electronic Communications Act 2000;
Domestic Regulations	The regulations set out in Article 75;
electronic communications	Has the same meaning as in the Electronic Communications Act 2000;
Executive Director	A member of the Board appointed pursuant to Article 49 (2);
FSMA	Financial Services and Markets Act 2000;
General Meeting	A general meeting of the Bureau;
Green Card System	The system facilitating the movement of vehicles across international borders by the use of an internationally acceptable document proving the existence of insurance and to ensure that victims of foreign registered vehicles are not disadvantaged;
GWP	A Member's total gross written premiums receivable (less rebates and refunds) on the basis of gross premiums for the Year on Class 10 business (premium arising from insurance of third party liability risks) as declared in the audited returns made by the Member or, in the case of Members trading on a 'Services' basis, on an equivalent format and applying a formula as agreed by the Members in General Meeting or in a resolution in writing of the Members;
Levy	The amount of the Member's Levy payable by all of the Members in aggregate for a Year and determined by the Bureau pursuant to Article 15(2);
LP	The leviable premium calculated by reference to the GWP;
Member	A member of the Bureau;

Member's Levy or Member's Levies	The levy or levies charged to a Member pursuant to Article 15(1) which for the avoidance of doubt excludes Portal Levies;
MID	The Motor Insurance Database maintained by the Bureau;
Month	A calendar month;
motor business	To effect or carry out carry contracts covering motor vehicle third party liability risks as part of direct insurance;
Nominating Member	Has the meaning set out in Article 4(4) of these Articles;
Nominee	Has the meaning set out in Article 4(4) of these Articles;
PCD	The premium calculation day, which is 1 July in any Year;
Portal	a Road Traffic Act claim web based routing portal to enable the Ministry of Justice personal injury claim process reforms to be implemented appropriately and in accordance with any court rules and protocols;
Portal Co	a company to be named Rtapiclaimsprocess Limited that will develop, maintain and manage the Portal;
Portal Levies	levies charged to Members for use of the Portal payable pursuant to Article 15 (12);
Register	The register of Members of the Bureau;
Relevant Territories	England and Wales, Scotland, Northern Ireland, Gibraltar, the Channel Islands and the Isle of Man;
Secretary	The company secretary of the Bureau;
Subsidiary	A company is deemed to be a subsidiary of another if (but only if) <ul style="list-style-type: none"> a. that other either: <ul style="list-style-type: none"> (i) is a member of it and controls the composition of its board of directors; or (ii) holds more than half in nominal value of its equity share capital; or

b. the first-mentioned company is a subsidiary of any company which is itself a subsidiary of that other company;

and 'Parent' shall be construed accordingly;

Syndicate of Lloyd's

The duly appointed lead member representative or active underwriter acting on his own behalf and for and on behalf of one or more persons, to whom a particular syndicate number has been assigned by or under the authority of the Council of the Society of Lloyd's constituted by section 3 of the Lloyd's Act 1982;

Technical Committee

A committee whose members are appointed pursuant to Article 67;

Year

12 Months ended 31 December.

- (2) References to the singular number only shall include the plural number and vice versa; references to one gender only shall include all genders; and references to persons shall include corporations and Syndicates of Lloyd's.
- (3) Headings are inserted for convenience only and shall not affect the construction of these Articles.
- (4) References to being 'written' or 'in writing' refer to any method of representing or reproducing words in a visible form provided that such method is legible and (if not itself in paper form) capable of being reproduced in paper form.
- (5) A reference to a particular statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts and subordinate legislation for the time being in force made under it.
- (6) Unless the context otherwise requires words or expressions defined in The Act shall bear the same meaning in these Articles.

2.

- (1) The regulations contained in Table C in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No. 2) Regulations 2007

(SI 2007/2826) and any statutory modifications or re-enactment thereof shall not apply to the Bureau.

- (2) Subject to the provisions of the Act, the Memorandum of Association and these Articles and to any directions given by special resolution, the business of the Bureau shall be managed by the Board who may exercise all the powers of the Bureau. No alteration of the Memorandum of Association or these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.
- (3) An additional object of the Bureau is incorporated into these Articles as follows:
 - (a) to itself take or otherwise acquire shares or establish or acquire a company limited by shares as a subsidiary that shall acquire shares in Portal Co (whether fully or not fully paid up or with limited or unlimited liability) and to sell, hold, re-issue with or without guarantee or otherwise deal with the same;.
 - (b) through itself or any subsidiary of the Bureau enter into a shareholders agreement or other arrangements with Portal Co and or other shareholders or members of Portal Co for the purposes of fulfilling the objects of Portal Co;
 - (c) through itself or any subsidiary of the Bureau exercise all powers and rights of a shareholder in Portal Co under the articles of association of Portal Co; and
 - (d) enter into guarantees itself or permit any subsidiary of the Bureau to enter into guarantees in respect of liabilities incurred by Portal Co that have been approved by the Board.
- (4) Object J of objects incorporated in these Articles shall be deleted and replaced with the following object:

To enter into agreements with or make calls or levies on the Members and/or their Accredited Agents or any of them to keep the Bureau and any subsidiary of the Bureau (or Portal Co as applicable) supplied with all funds necessary to enable the Bureau and any subsidiary of the Bureau to discharge its obligations or further its objects (or to enable the discharge of the obligations or further the objects of Portal Co as applicable) and for such other purposes as may be conducive to the efficient, economical or expeditious discharge of its obligations and the furtherance of its objects (or the discharge of the obligations or the furtherance of the objects of Portal Co as applicable).

- (5) Paragraph 5 of the Memorandum of Association is deleted and does not form part of these Articles.

MEMBERS

3. The number of Members of the Bureau shall be unlimited.
4. Subject to these Articles, the following persons shall be Members and shall have their names entered in the Register:
- (1) Any person whose name appears on the Register at the date of adoption of these Articles.
- (2) Any person who is authorised under Section 31 of FSMA to carry on motor business or such person's home state equivalent provided that the person, if based outside the Relevant Territories, shall obtain in writing all necessary authorisations and approvals for the carrying on of such business and shall produce the same for approval in writing by the Bureau prior to its entry on the Register.
- (3) Subject to Article 4(4), a Syndicate of Lloyd's carrying on motor business;
- (4) Any person (the '**Nominee**') who is an authorised managing agent and who either prior to the adoption of these Articles or after has been nominated by a Syndicate of Lloyd's which is either a Member entered on the Register or otherwise duly entitled to be entered on the Register as a Member (the '**Nominating Member**') provided that:
- (a) where the Nominating Member is a Member already entered on the Register then upon the name of such Nominee being entered upon the Register the Nominating Member shall cease to be a Member but shall retain the right to revoke nomination of the Nominee either in favour of itself or another Nominee whereupon it or the new Nominee (as the case may be) shall become a Member and be entered on the Register in place of the original Nominee;
- (b) where the Nominating Member is a Syndicate of Lloyd's who is or is intending to carry on motor business and has nominated a Nominee without having first been entered on the Register as a Member then such Nominee shall still be treated as a Member and entered on the Register accordingly but shall retain the right to revoke nomination of the Nominee either in favour of itself or another Nominee whereupon it or the new Nominee (as the case may be) shall become a Member and be entered on the Register in place of the original Nominee;
- (c) any notice or revocation sent pursuant to this Article 4(4) shall be in writing and sent to the Secretary at the registered office of the Bureau;

- (d) where a Nominee is in breach of any of the events listed in Article 10(1) then the Nominee's nomination shall, subject to Article 10(3), be revoked and the Nominating Member shall be required to make a nomination in respect of a new Nominee or otherwise shall be entered itself upon the Register. If a new nomination is not made within 14 days from the date of the breach then the Nominating Member shall be automatically entered as a Member on the Register until any new nomination is made;
 - (e) where a Nominating Member would have been in breach of any of the events listed in Article 10(1) were it a Member and not a Nominating Member then the Nominating Member's Nominee shall, subject to Article 10(3), cease to be a Member and be removed from the Register and the Nominating Member shall not have any right to appoint any new Nominee on its behalf until such breach is sufficiently rectified as determined by and at the sole discretion of the Bureau;
 - (f) a Nominating Member will remain ultimately liable for any Levy due under Article 15 notwithstanding any payments made on its behalf by a Nominee; and
 - (g) references in these Articles to the GWP or LP of any Member nominated pursuant to Article 4(4) shall be construed as references to the GWP or LP of such Member's Nominating Member.
5. A Member not established in the United Kingdom shall appoint a person established within the United Kingdom to be its Accredited Agent. An Accredited Agent shall represent its appointing Member's interests and the Bureau shall be entitled to act (but shall not be obliged to do so) on the Accredited Agent's instructions. An Accredited Agent may, but need not, itself be a Member and nothing in this Article 5 shall make an Accredited Agent a Member or the proxy of a Member.
6. There shall be only one class of Member, providing always however that Members who fall within Article 10(3) shall not have the voting rights provided for in these Articles.
7. (1) When a change in control of any Member occurs at any time, notice in writing of that fact shall forthwith be given by the Member concerned to the Bureau.
- (2) In order to be valid, any notice to be given under paragraph (1) of this Article shall be sent to the Secretary at the registered office of the Bureau and shall contain sufficient particulars to indicate the nature of the change in control.
- (3) For the purposes of this Article:
- (a) control of any Member means control of one-third or more of the votes capable of being cast at a general meeting of the members of that Member or in a resolution in writing of the members of that Member;

- (b) there shall be deemed to be a change in control if control is acquired by any person or any readily identifiable group or association of persons not, at the time when the change occurred, being a Member of the Bureau; and
 - (c) where one Member controls another, any change in control of the controlling Member shall be deemed to be a change in control of the Member which is so controlled.
- 8. The rights and obligations of a Member shall not be transferable.
- 9. Every Member shall:
 - (1) further to the best of his ability the objects and interests of the Bureau;
 - (2) observe all the regulations of the Bureau, the terms of any policy document issued or adopted by the Bureau and the terms of any agreement which may be entered into between it and the Bureau;
 - (3) enter into and perform fully any agreement between it and any person which the Board may determine to be necessary for or incidental or conducive to the attainment of the objects of the Bureau; and
 - (4) procure that subject to their fiduciary duties, any member of the Board nominated by it will support and implement all reasonable proposals put forward at Board and other meetings of the Bureau for the proper development and conduct of the business of the Bureau.
- 10. (1) Where a Member:
 - (a) goes into liquidation or provisional liquidation whether compulsory or voluntary (except for the purposes of a bona fide reconstruction or amalgamation in which the new company assumes (and is capable of assuming) all the obligations of that Member); or
 - (b) ceases to carry on motor business, the date of which shall be determined as follows:
 - (1) the date such Member gives notice in writing (such notice to be signed by a director, or the company secretary, or a designated contact agreed previously by the Bureau of that Member) to the Bureau that it has ceased or intends to cease to carry on motor business, or, if earlier,
 - (2) the date such Member ceases to have authorisation to carry on motor business:

1. as provided for in section 31 of FSMA ; or
 2. for those Members who are based outside the Relevant Territories, the date the relevant Member ceased to be authorised under that Member's home state equivalent; or
- (c) has been requested in writing by the Bureau to confirm it has ceased to carry on motor business, and that Member either confirms it has ceased to carry on motor business (such confirmation to be signed by a director, or the company secretary, or a designated contact agreed previously by the Bureau of that Member), or fails to satisfactorily respond to such request within 30 days, that Member will be deemed to have ceased to carry on motor business for the purposes of Article 10(1)(b) on: (i) the date of such confirmation of the Member to the Bureau or (ii) the expiry of such 30 days respectively;
- (d) has an order made by the court of competent jurisdiction against it, or a resolution is passed for the administration of that Member, or documents are filed with the court for the appointment of an administrator, or notice of intention to appoint an administrator is given by that Member, or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986); or
- (e) has any step taken against it by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of its assets or undertaking; or
- (f) is unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
- (g) enters into a composition or arrangement with its creditors; or
- (h) has a process instituted that could lead to that Member being dissolved and its assets being distributed among the Member's creditors, shareholders or other contributors

or any analogous procedure or step is taken in any jurisdiction, it shall, subject to Article 10(3), cease to be a Member on the date such event as set out above takes place and an entry shall be made in the Register showing the date such Member ceases to be a Member.

- (2) Upon the occurrence by a Member of any event listed in Article 10(1) any payments which MIB may as a result be called upon to make on his behalf to judgement creditors shall be contributed by the other Members. In each case contributions actually payable

by each of the other Members shall be made in proportion to their respective Member's Levy within their respective group's actual percentage of the total Levy (relative to the year in which MIB meets the said contribution).

- (3) If a Member has ceased to carry on motor business but wishes to remain a Member, it may make a request in writing to the Bureau for it to remain as a Member (such request to be signed by a director, or the company secretary, or a designated contact agreed previously by the Bureau of that Member) and the Bureau may, at its discretion, allow the Member to remain a non-voting Member of the Bureau for such period as the Bureau thinks fit, providing always that the Bureau shall have the right to require any such Member at any time to provide satisfactory evidence of its intention to recommence to write motor business within a reasonable time period as determined by the Bureau. If the Bureau does not accept such evidence as satisfactory, or that Member fails to provide any such evidence, the Bureau reserves the right to immediately determine the membership of that Member and to remove them from the Register.

11. A Member shall forthwith cease to be a Member if the Board at any time resolves that:

- (1) in its opinion the continuance of the membership of such Member will be prejudicial to the interests of the Bureau; or
- (2) such Member has failed to pay any additional Member's Levies that are payable by that Member pursuant to the Sanction Rules (as defined in Article 76(1) of these Articles) within the time limits set out in the Sanction Rules, providing always that Article 76(4) shall apply; or
- (3) such Member has failed to meet the requirements contained in the Data Quality Requirements (as defined in Article 76 of these Articles) by the end of the first six months of its membership of the Bureau (the Bureau not being obliged to first have reference to the procedures contained Sanction Rules in connection with such failure by the Member)

provided that such resolution shall not be effective unless the Member concerned shall have been given not less than fourteen clear days' notice in writing of, and the right to attend and be heard at, the meeting of the Board. In exercising its functions under this Article, the Board may take account of any matter it considers to be relevant including, but without limiting the generality of the foregoing, any breach of any provision of these Articles which, in the opinion of the Board, it appears that such Member has committed.

12. Where any Member ceases to be a Member it shall remain fully liable in respect of all obligations incurred by it by virtue of its membership of the Bureau before its cessation and, for the avoidance of doubt, where an incident arises prior to cessation of membership and that incident would give rise to an obligation on that Member by virtue of its membership then that Member

shall remain fully liable in respect of that obligation notwithstanding its being unaware of such incident or obligation prior to the cessation of its membership.

13. Subject to the provisions of the Memorandum of Association, no Member shall be disqualified by his membership from contracting with the Bureau.

FINANCES

14. Joining Fee

- (1) As a condition of becoming a Member an applicant will be obliged to pay a joining fee which shall be payable on demand. The joining fee shall be such sum as may be determined from time to time by the Board.
- (2) Any Member having ceased membership of the Bureau will be subject to payment of the full joining fee on demand on subsequent re-admission.

15. Levy and Portal Levies

- (1) The Bureau shall be funded by, inter alia, a Member's Levy charged on each of the Members based on the LP of each Member, such Member's Levy to be made from time to time as and when necessary and any changes to the basis upon which the Member's Levy is calculated (but not its amount from time to time) shall be agreed by the Members in General Meeting or in a resolution in writing of the Members.
- (2) The Bureau shall notify the Members of the amount of the respective Member's Levy for each of the Members as soon as is reasonably practicable in the preceding Year.
- (3) The Levy and any variations to the Levy shall be apportioned between the Members pro rata to the LP received by each Member transacted in the Relevant Territories during the preceding Year.
- (4) Subject to Article 15(5), the proportion to be applied pursuant to Article 15(3) will be that prevailing in the preceding Year to when the Board approves the Levy and not when the Member's Levy is called.
- (5) The Levy for any Year shall be re-apportioned between the Members on the PCD of that Year or earlier if practicable, pro rata to the LP received by each Member transacted in the Relevant Territories during the preceding Year.
- (6) Each Member shall pay its due proportion of the Levy in twelve monthly instalments during each Year, comprising an initial period of 6 equal monthly instalments based on that Member's relevant LP for the year prior to the preceding Year, and a subsequent period of 6 equal monthly instalments (these having first been adjusted to be take into

account what the Member's relevant LP was for the preceding Year), so that such twelve payments made by the Member for each Year in aggregate match that Member's relevant LP for the preceding Year;

- (7) LP income shall be determined on the basis of GWP for the Year (converted into pounds sterling at the exchange rate applicable on 31 December of the Year to which the annual return relates).
- (8) If after a Member's Levy has been called, a Member notifies the Bureau, or it appears to the Bureau, that a Member's annual return upon which the apportionment of that Member's Levy was based is incorrect or if, following a provisional apportionment of the Member's Levy made pursuant to Article 15(10)(b), the Bureau receives that Member's annual return then:
 - (a) the Bureau shall in the case of an overpayment by a Member, refund the overpayment;
 - (b) in the case of an underpayment by a Member, the Member shall pay to the Bureau the amount so underpaid on demand, together with (other than in the case of an underpayment occasioned by reason solely of an overpayment made by another Member or Members) interest on the underpaid amount from the date that the Member's Levy which was so underpaid became due until the date on which the amount of the underpayment is paid in full to the Bureau by the Member. The rate of interest shall be 4 per cent per annum above the base rate from time to time of such UK clearing bank as the Bureau may from time to time nominate; and
 - (c) such additional payment or refund due from or to any Member pursuant to this Article 15(8) shall be made in one payment in the next October, or as soon as reasonably practicable, following the receipt by the Bureau of the corrected or late annual return occasioning the additional payment or refund.
- (9) Each Member shall:
 - (a) supply the Bureau with a copy of each of its annual returns on or before 1 May in the Year following that to which the return relates;
 - (b) supply such information, on request by the Bureau, which facilitates calculation of the Member's Levy; and
 - (c) upon receipt of a written Member's Levy demand from the Bureau, promptly meet the same.

- (10) To reflect the administrative inconvenience and budgeting difficulties that may be faced by the Bureau and its Members as a result of the late delivery to the Bureau of a Member's annual return:
- (a) each Member shall pay to the Bureau on demand compensation for each day for which that Member's annual return is overdue (and unless determined otherwise by the Members in General Meeting or in a resolution in writing of the Members the amount of such compensation shall be £1,000 per day); and
 - (b) where the relevant LP referred to in Article 15(3) is not available for any Member as a result of the Member's annual return being overdue by 20 days or more, 120% (one hundred and twenty per cent) of that Member's relevant LP for the previous Year may be used at the discretion of the Bureau for provisionally apportioning the Levy amongst the Members (but without prejudice to the Bureau's rights under the foregoing provisions of this Article 15 or otherwise).
- (11) Where the Bureau determines at any time in its discretion that the Levy is greater than that required by the Bureau for any current or subsequent Year then each Member shall receive a refund of their proportion of the Member's Levy that is greater than that required by the Bureau as soon as is reasonably practicable following such determination that Levy is greater than that required by the Bureau.
- (12) Each Member who uses the Portal shall pay the Bureau Portal Levies for use of the Portal upon the following terms:
- (a) the amount charged to the Bureau or any subsidiary of the Bureau by Portal Co for use and operation of the Portal by Members will be paid by Members to the Bureau as Portal Levies.
 - (b) The amount of individual Portal Levies of each Member will be based upon the charges recharged by Portal Co to the Bureau or any subsidiary of the Bureau for that Member's individual use of the Portal as calculated by the pricing mechanism for such usage agreed between Portal Co and the third party who provides the Portal as a service to Portal Co.
 - (c) Each Member shall pay their own Portal Levies as and when such Portal Levies are demanded by the Board.

16. Commencement and Cessation Levy Provisions

- (1) In the first Year of membership a Member will be required to pay a provisional levy based upon the Business Plan forecast of first Year premium incomes submitted on application for membership of the Bureau. After the first twelve months of membership this will be

adjusted such that the first levy is based upon the relevant premium income in the Year of commencement of membership.

- (2) A Member's Levy will continue to be assessable on and payable by a Member for twelve Months from the date of termination of membership pursuant to Article 10 or Article 11 and such Member's Levy shall be assessed on that Member's GWP for either the last full Year in which it carried on such motor business or the last 12 Months of carrying on such business, whichever is the greater.

17. **Late Payments**

If any Member fails to pay on the due date any amount payable by it under these Articles:

- (1) it shall forthwith on demand by the Bureau pay interest on the overdue amount from the due date up to the date of actual payment at the rate of 4 per cent per annum above the base rate from time to time of such UK clearing bank as the Bureau may from time to time nominate; and
- (2) it shall indemnify the Bureau against all costs, charges and expenses (including legal fees) incurred by the Bureau in collecting the overdue amount (including any interest thereon).

18. **Deductions and Set Off, Satisfaction of Claims and Reimbursement**

- (1) All sums payable by a Member to the Bureau shall be paid without deduction, each Member bearing all transmissions, tax, exchange or other costs and in the currency as the Board shall determine from time to time.
- (2) The Bureau retains the right to set off any monies due to it from any Member against any monies due and payable by the Bureau to that Member.
- (3) Without prejudice to the provisions of Article 75(4), if it appears to the Bureau to be expedient, in order to further the objects of the Bureau, the Bureau may itself, at its discretion, settle or compromise any claim made against any Member or satisfy any judgment obtained in a court of competent jurisdiction against any Member, irrespective of the subject matter of the claim or judgment and in any such case the Bureau shall be entitled to recover the sum paid by it from the relevant Member.

GENERAL MEETINGS

19. The Board may call General Meetings and, on the requisition of Members pursuant to the provisions of the Act, shall forthwith proceed to convene a General Meeting in accordance with the provisions of the Act.

20. The Board may whenever it thinks fit convene a General Meeting.
21. General Meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety (90) per cent of the total voting rights at meetings of the Members.
22. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and shall be given to all the Members and to the Board and the Auditors.
23. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
24. Subject to the provisions of the Act, a resolution in writing signed by the required percentage (as set out in the Act with reference to the subject matter of such resolution in writing) of the Members for the time being entitled to attend and vote at General Meetings shall be as valid and effective as if the same had been passed at a General Meeting of the Bureau duly convened and held.

BUSINESS AT GENERAL MEETINGS

25. The Chairman of the Board or in his absence the Deputy Chairman (if any) of the Board or some other person as the Board may appoint shall preside as Chairman at every General Meeting.
26. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, ten persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum.
27. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or at such other time and place as the Chairman shall appoint, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the Members present shall be a quorum.
28. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. If a meeting is adjourned for 20 days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the Members shall not be entitled to any notice of any adjournment or of the business to be transacted at an adjourned meeting.

29. At all General Meetings a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or upon the declaration of the result of, the show of hands a poll is demanded in writing by the Chairman or by at least three persons having the right to vote at the meeting, and unless a poll is so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Bureau shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
30. If a poll is demanded as provided above, it shall be taken at such time and place, and in such manner, as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
31. No poll shall be demanded on the election of a Chairman of a meeting or on any question of adjournment.
32. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a casting vote, but otherwise shall not be entitled to vote.
33. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

34. **Votes of Members**

Where a Member has not ceased to carry on motor business pursuant to Article 10:

Show of hands

- (1) every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative at a General Meeting shall have one vote on a show of hands. A Member, although duly authorised to represent another Member, shall only be entitled to one vote on a show of hands, but shall be entitled to vote both in his personal and representative capacity on a poll.

Poll

- (2) on a poll every Member present in person or by his duly authorised representative at a General Meeting shall have votes calculated by reference to his LP with one vote for every £5,000,000 of LP, or part thereof, subject to the provisions of Articles 35, 36, 37 and 38.

35. **Calculation of votes**

- (1) From 1 January to 30 June in any Year the votes of any Member on a poll shall be calculated in accordance with that Member's LP on the PCD in the previous Year, subject to the provisions of Article 37.
- (2) From PCD to 31 December, the votes of any Member on a poll shall be calculated in accordance with that Member's LP on the PCD.

Outstanding annual return

- (3) If the annual returns or equivalent of any Member are not received in writing by the Bureau before 31 May in any Year, that Member shall only have 1 vote on a poll until the next PCD.

36. **Subsidiaries**

The votes of a Member on a poll shall be based upon the LP of that Member alone excluding that of any Parent or Subsidiary company of that Member.

37. **Commencement provisions**

Upon commencement of membership of the Bureau a Member shall be immediately credited with 1 vote on a poll and subsequent changes in the number of that Member's votes shall be calculated in accordance with Article 35.

38. **Proxy Votes**

- (1) Any Member entitled to attend and vote may appoint another person (whether a Member or not) as his proxy to attend and vote instead of him. A proxy appointed to attend and vote instead of a Member has the same right as the Member to speak at the meeting.
- (2) A Member is not entitled to appoint more than one proxy to attend on the same occasion and a proxy is not entitled to vote except on a poll.
- (3) In the case of an instrument in writing, the instrument appointing a proxy, or any other document necessary to show the validity of, or otherwise relating to, the appointment of a proxy must be received by the Bureau at its registered office no less than 48 hours before a meeting or adjourned meeting in order that the appointment may be effective.
- (4) In the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:
 - (a) in the notice convening the meeting; or

- (b) in any instrument of proxy sent out by the Bureau in relation to the meeting; or
- (c) in any invitation contained in an electronic communication to appoint a proxy issued by the Bureau in relation to the meeting

such appointment must be received at such address not less than 48 hours before the time for the holding of the meeting or adjourned meeting at which the person named in the appointment proposes to vote.

- (5) A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Bureau at the office or such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

THE BOARD

- 39. The number of the members of the Board shall not be less than 7 nor more than 16. Save for the Executive Directors and the Chairman, no person shall be eligible for appointment to the Board unless he is employed by a Member (whom he shall be deemed to represent). The members of the Board (with the exception of the Executive Directors and the Chairman) shall so far as possible (but without imposing any obligation or conferring any rights upon the Members, the Bureau or the members of the Board) be representative of the Members.
- 40. Save for the Executive Directors, no person shall be eligible for appointment to the Board unless he or she holds a similar position elsewhere. In case of dispute in this connection the decision of the Chairman shall be final and binding.
- 41. **Period of Service**
 - (1) Subject to the following paragraphs of this Article 41 and to Articles 45 and 46, each member of the Board shall serve for a maximum period of 3 years from the date of the appointment to the Board. At the end of this period that member of the Board shall immediately resign but shall be eligible for re-appointment for a second period of up to 3 years (and so that such member of the Board may be re-appointed to the Board once only).
 - (2) The provisions of Article 41(1) shall not apply to the Chairman from the date of his appointment as such. The Chairman shall serve on the board for the period of his office

determined pursuant to Article 49(1). At the end of that period he shall immediately resign but shall be eligible for re-appointment either as Chairman or simply to the Board (and so that he may be re-appointed under this Article 41(2) once only).

- (3) The provisions of Article 41(1) shall not apply to the Executive Directors.
42. No member of the Board shall be permitted to appoint an alternate.
43. No person shall be appointed or reappointed a member of the Board at any General Meeting or in a resolution in writing of the Members unless:
 - (1) He is recommended by the Board; or
 - (2) Not less than three nor more than 28 clear days before the date appointed for the General Meeting or attached to the resolution in writing of the Members, a notice signed by a Member qualified to vote at the General Meeting or in a resolution in writing in Members has been given to the Bureau of the intention to propose that person for appointment or reappointment together with notice signed by that person of his willingness to be appointed or reappointed.
44. Subject to these Articles, the Bureau may by ordinary resolution appoint a person who is willing to act to be a member of the Board either to fill a vacancy or as an additional member of the Board.
45. The Board may appoint a person who is willing to act to be a member of the Board, either to fill a vacancy or as an additional member of the Board, provided that the appointment does not cause the number of members of the Board to exceed 16. A member of the Board so appointed shall hold office only until the General Meeting or resolution in writing of the Members in the next financial year of the Bureau in respect of which such appointments are considered. If not reappointed at such General Meeting or pursuant to such resolution in writing of the Members, he shall vacate office at the conclusion thereof or the date such resolution in writing is passed.
46. The Members in General Meeting or in a resolution in writing of the Members may by ordinary resolution remove any member of the Board before the expiration of his period of office and may by ordinary resolution appoint another person to the Board in his stead, but any person so appointed shall serve so long only as the member of the Board in whose place he is appointed would have served if he had not been removed.

POWERS OF THE BOARD

47. Subject to the provisions of The Act, these Articles, the Memorandum of Association of the Bureau and to such directions as may be prescribed by the Members in General Meeting or resolution in writing of the Members, the business of the Bureau shall be managed by the Board, who may pay all such expenses of, and preliminary and incidental to, the promotion of the Bureau

as they think fit, and may exercise all such powers of the Bureau and do on behalf of the Bureau all such acts as may be exercised and done by the Bureau. No direction given by the Members in General Meeting or resolution in writing of the Members shall invalidate any prior act of the Board which would have been valid if such direction had not been given.

48. The continuing members of the Board may act notwithstanding any vacancy in their body, provided always that if the members of the Board shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with these Articles, it shall be lawful for them to act for the purpose of filling up vacancies in their body or of summoning a General Meeting but not for any other purpose.

CHAIRMAN, DEPUTY CHAIRMAN, EXECUTIVE DIRECTORS AND CHIEF EXECUTIVE

49. (1) The Board shall from time to time appoint one of its number (not being a member of the Board who has previously been appointed as Chairman) to be a Chairman and may appoint a Deputy Chairman (who may, for the avoidance of doubt, have previously held the office of Chairman or Deputy Chairman) in each case for such period not exceeding four years and upon such terms as may be agreed. The Chairman or in his absence the Deputy Chairman shall preside at meetings of the Board and perform such other duties as the members of the Board may agree from time to time.
- (2) The Board shall from time to time appoint Executive Directors who shall also be appointed to the Board and to whom it may delegate such of its functions as it may think fit. The Executive Directors shall serve for such period and upon such terms as the Board may agree from time to time.
- (3) The Board may from time to time appoint one of the Executive Directors to be the Chief Executive. The Board shall, subject to the provisions of these Articles, determine which of the functions of the Executive Directors shall be performed by the Chief Executive and which by the other Executive Directors. The Chief Executive shall serve as such for such period upon such terms as the Board may agree from time to time.

DISQUALIFICATION OF MEMBERS OF THE BOARD

50. The office of a member of the Board shall be vacated:
- (1) if a winding up, provisional liquidation or administration order is made against the Member he represents or if he or the Member he represents becomes bankrupt or insolvent or if a receiving order is made against him or the Member he represents or if he or the Member he represents makes any arrangement or composition with his or its creditors;
- (2) if by notice in writing to the Bureau he resigns his office;

- (3) if the Member he represents ceases to be a Member of the Bureau;
- (4) if he ceases to be in the employment of the Member he represents;
- (5) if he ceases to hold office by virtue of any provision of these Articles or The Act or he becomes prohibited by law from being a member of the Board;
- (6) if he is, or may be, suffering from a mental disorder and either:
 - (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
 - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (7) if he is convicted of a criminal offence (other than a minor motoring offence) and the Board resolves that his office should be vacated;
- (8) if he breaches the provisions of Article 55 and the Board resolves that his office should be vacated; or
- (9) if he shall for more than 3 consecutive meetings of the Board have been absent without permission of the Board and the Board resolves that his office be vacated.

PROCEEDINGS OF THE BOARD

51. The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless otherwise determined, five members of the Board shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a casting vote, but otherwise shall not be entitled to vote.
52. Two members of the Board may, and on the request of two members the Chairman shall, at any time summon a meeting of the Board by notice in writing served upon the several members of the Board. A member of the Board who is absent abroad shall be entitled to notice of a meeting at his business address as notified to the Bureau in writing.
53. If there is no Chairman or Deputy Chairman of the Board or if at any meeting such Chairman or Deputy Chairman is not present within fifteen minutes after the time appointed for holding the same and willing to preside, the members of the Board present shall choose one of their number to be chairman of the meeting.

54. A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions of the Bureau for the time being vested in the Board generally. Any director may participate in a meeting of the Board by means of telephone or other means of communication whereby all persons participating in the meeting can speak to each other and hear each other speak. Participation in a meeting in this manner shall constitute presence in person at such meeting and be counted in the quorum accordingly. In the absence of a majority, the Chairman's location shall be deemed to be the place of the meeting.
55. A member of the Board who, in relation to any matter in which he, or any member company that he represents, has, directly or indirectly, an interest or duty which conflicts (or may conflict) with the interests of the Bureau, has a duty to declare the nature of his interest at that meeting of the Board, and additionally such member of the Board may not vote at that meeting of the Board, nor form part of the quorum present at that meeting.
56. The Board may delegate any of its powers to committees consisting of such member or members of the Board and/or of the Bureau's executive staff as it thinks fit, and any committee so formed shall, in the execution of the powers so delegated, conform to any regulations imposed on it by the Board. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board. Such committee or committees shall have the power to co-opt any person to act in an advisory but non-voting capacity.
57. All acts performed in good faith by any meeting of the Board or of any committee of the Board, or by any person acting as a member of the Board, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any member of the Board or that they or any of them were disqualified from holding office or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a member of the Board.
58. The Board shall cause proper minutes to be made of all appointments of officers made by the Board and of the proceedings of all meetings of the Bureau and of the Board and of committees of the Board and all business transacted at such meetings. Any such minutes of any meeting, if purported to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.
59. A resolution in writing signed by all the members for the time being of the Board or of any committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or such committee of the Board duly convened and constituted.

SECRETARY

60. Subject to the provisions of the Act, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit. The Secretary may be removed by the Board.

ACCOUNTS

61. The Board shall cause proper books of account to be kept with respect to:
- (1) all sums of money received and expended by the Bureau and the matters in respect of which such receipts and expenditure take place;
 - (2) all sales and purchases of goods by the Bureau; and
 - (3) the assets and liabilities of the Bureau.
62. The books of account shall always be open to the inspection of the members of the Board at the registered office of the Bureau.
63. The Members in General Meeting or in a resolution in writing of the Members may from time to time make reasonable conditions and regulations as to the time and manner of the inspection by the Members of the accounts and books of the Bureau, or any of them, and subject to such conditions and regulations the accounts and books of the Bureau shall be open to the inspection of Members at all reasonable times during business hours.
64. The Board shall lay before the Members in General Meeting an income and expenditure account for the period since the last preceding account, together with a balance sheet made up as at the same date. Every such balance sheet shall be accompanied by a report of the Board and a report of the Auditors, and a copy of such account, balance sheet and reports shall not less than twenty-one days before the date of the meeting be sent to all persons entitled to receive notices of General Meetings. Should the Board resolve not to lay such documents before the Members in General Meeting but to send copies of the same to all persons entitled to receive notice of General Meeting instead, the Board shall comply with the time limits set out in this regard pursuant to the provisions of the Act.

AUDIT

65. Once at least in every Year the accounts of the Bureau shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by a properly qualified auditor.
66. An auditor shall be appointed and his duties regulated in accordance with The Act.

THE TECHNICAL COMMITTEE

67. The Technical Committee shall be composed of the Chief Executive and such other persons as may be appointed pursuant to Article 68 who need not be members of the Board but who shall be claims managers or persons with similar experience, and, as far as possible, the composition of the Technical Committee shall be representative of the membership of the Bureau. The number of members of the Technical Committee shall not be less than 5 nor more than 50. The Chief Executive or such employee of the Bureau or member of the Technical Committee as the Chief Executive may nominate shall chair meetings of the Technical Committee.
68. (1) A Member may at any time nominate a representative to serve on the Technical Committee. The nomination must be delivered in writing to the Secretary. Such a nomination shall be accepted if it is approved by not less than 75% on a show of hands of those present and voting at a meeting of the Technical Committee.
- (2) The Technical Committee may, from time to time, in writing appoint a representative of any Member of the Bureau to be member of the Technical Committee, either to fill a vacancy or by way of addition to the Technical Committee.
69. (1) Save as otherwise provided, the provisions of Articles 50-59, so far as possible, shall apply mutatis mutandis to the Technical Committee. Subject to Article 68(1) and Article 69(2), decisions of the Technical Committee shall be taken by a two thirds majority of those present and voting.
- (2) A member of the Technical Committee may not vote on any case where any member company that he represents has a financial interest in the outcome of that case.
70. Appointees shall serve on the Technical Committee for a period of three years and shall be eligible for re-appointment by the Technical Committee.

POWERS OF THE TECHNICAL COMMITTEE

71. The Technical Committee shall meet on 14 clear days' notice, in writing, issued by the Chief Executive or such employee of the Bureau as he may nominate for this purpose, to consider and take decisions on claims, matters of principle and technical difficulty. For the avoidance of doubt, the Technical Committee will consider cases involving but not necessarily restricted to those involving issues of; meaningful degree of liability, identification and the interpretation and application of Article 75. Subject to appeal as set out in Article 75, all decisions shall be final and binding on the Members.
72. No article
73. No article

74. No article

THE DOMESTIC REGULATIONS

75. (1) **Background to Article 75**

- (a) The objectives underlying Article 75 are:
- (1) to assist the victims of motor accidents;
 - (2) to further the interests of motor vehicle insurance policyholders with a view to reducing the cost of premiums;
 - (3) to fulfil the objectives in (1) and (2) in an efficient, economical and expeditious manner, having regard to the interests of Members as a whole.
- (b) This Article shall apply in respect of all cases, irrespective of the date of accident (with the exception of those that have already been concluded under the terms of the previous versions of this Article), which may be or have been settled under any agreements entered into by the Bureau for the purpose of satisfying Road Traffic Act Judgments (as defined below).
- (c) This Article shall be applied and interpreted impartially by the Technical Committee (or, where relevant, any arbitrator appointed pursuant to paragraphs (5) and (6) of this Article).
- (d) This Article shall be applied and interpreted in a pragmatic rather than a strictly legal manner, with a view to furthering the objectives set out in paragraph (1)(a) of this Article.

(2) **Interpretation of Article 75**

For the purposes of this Article 75

- (a) **'Article 75 Insurer'** shall, subject to sub-paragraphs (a)(1) - (a)(4) of this paragraph (2), mean the Member who for the time of the accident which gave rise to a Road Traffic Act Liability was providing any insurance (other than by reason of a driving other vehicle clause) in respect of the vehicle from the use of which the liability of the judgment debtor arose.

- (1) Without prejudice to the generality of the foregoing, a Member is the Article 75 Insurer notwithstanding that:

- (i) the insurance has been obtained by fraud, misrepresentation, non-disclosure of material facts, or mistake;
- (ii) the cover has been back dated; or
- (iii) the use of the vehicle is other than that permitted under the policy.

(2) A Member only ceases to be the Article 75 Insurer:

- (i) if a renewal notice is issued, incorporating a temporary cover note extending cover, conditionally or otherwise, beyond the date of expiry of the policy, as of the expiry date of that extension of cover;
- (ii) from the expiry date specified in the policy if, by provision in the policy or by notice in writing by either party to the policy, the policy is not intended to be renewed;
- (iii) from the expiry date of a short period insurance (being any insurance proposed for a term of less than twelve months, where there is no intention on the part of the Member to renew, nor any renewal documents issued), save where a new insurance for the same vehicle and policyholder begins within a period of fifteen days of the expiry date;
- (iv) when the insurance has been cancelled before the date on which the Road Traffic Act liability was incurred and in addition also before that date either:
 - (a) the certificate of insurance has been surrendered to the insurer by the policyholder, or (in the case of a certificate which is not in electronic form) the policyholder has made a Statutory Declaration stating that the certificate has been lost or destroyed, or
 - (b) the insurer has commenced proceedings under the Road Traffic Act 1988 in respect of the failure to surrender the certificate.

For the purpose of this clause, (i) *'surrender' and 'surrendered' bear the same meaning as and 'Statutory Declaration' includes any format under, S147 of the Road Traffic act 1988 as amended from time to time by statutory instrument or otherwise, and (ii) 'cancelled' means; cancellation by specific request of the*

insured, or strictly in accordance with the power of cancellation contained in the Member's contract for the risk, notwithstanding that such contract may not have been issued (provided that where an intermediary cancels the policy and the certificate of insurance has been surrendered to the intermediary, either as agent for the Member or under the terms of any separate agreement between the intermediary and the insured, cancellation of the policy must be exercised strictly in accordance with the Member's standard form of contract for the risk and there must be clear evidence that the intermediary is empowered to do so by the policy wording);

(v) when, before the date on which the Road Traffic Act Liability was incurred, the Member has obtained a declaration from a court of competent jurisdiction that the insurance is void or unenforceable;

(vi) when the insurance has ceased to operate by reason of a transfer of interest in the vehicle involved in the accident, which the insurance purports to cover, and which transfer is proved by evidence;

(vii) when the theft of the certificate of insurance was reported to the police (provided that the report was made within 30 days of the date of discovery of the theft); or

(viii) if the certificate of insurance has been forged by someone other than the Member or an intermediary acting on behalf of the Member or an officer, employee or agent of the Member or of an intermediary acting on behalf of the Member.

(3) If there is more than one Article 75 Insurer in respect of a particular vehicle then the handling of any claims will be by agreement between the Article 75 Insurers (and, in default of agreement, as determined by the Technical Committee) and the costs of handling and settling the claims shall be shared equally between those Article 75 Insurers.

(4) Where a Member contends that it is not the Article 75 Insurer, for whatever reason, the burden of proving such contention, on the balance of probabilities, shall rest upon such Member.

(b) **'certificate of insurance'** shall mean any document being or purporting to be a certificate complying with the Motor Vehicles (Third Party Risks) Regulations

1972 (SI 1972/1217) or subsequent or equivalent legislation, including documents which are or purport to be temporary cover notes or green cards (as such latter term is defined by Article 1(5) of Directive 72/166/EEC);

- (c) **'execution date'** shall mean the date upon which the original judgment creditor became entitled to enforce a Road Traffic Act Judgment against the judgment debtor;
- (d) **'insurance'** shall mean the issue of any document or promise by or on behalf of a Member, whether legally or otherwise, purporting to effect cover against Road Traffic Act Liability, whether or not a certificate of insurance has been prepared, issued or delivered (and notwithstanding that the certificate of insurance, if any, may be void or voidable) and includes the issue of a security under the Road Traffic Act 1988 or any subsequent statute or equivalent legislation in the Relevant Territories or a relevant foreign country. Where, after 1 January 2002, a record is held on the MID, the existence of such a record covering the date of an accident shall, unless there is documentary evidence to the contrary, be sufficient to establish the existence of 'insurance' for the purpose of this Article;
- (e) **'judgment debtor'** shall mean a person against whom a Road Traffic Act Judgment has been obtained;
- (f) **'original judgment creditor'** shall mean the person in whose favour a Road Traffic Act Judgment was given and who is entitled to enforce it and has complied or is able and willing to comply with the conditions precedent to the Bureau's liability as set out in any of the agreements entered into from time to time by the Bureau for the purposes of satisfying Road Traffic Act Judgments;
- (g) **'relevant foreign country'** shall mean:
 - (1) a country having a compensation body or guarantee fund as required under Article 6 of Directive 2000/26/EC with which the Bureau has concluded an agreement pursuant to Article 6(3) of such Directive;
 - (2) any country having a national insurers' bureau (as defined in Article 1(3) of Directive 72/166/EEC, a **'Green Card Bureau'**), with which the Bureau has concluded an agreement under the Green Card System;
- (h) **'Road Traffic Act Judgment'** shall mean a judgment obtained in a court of competent jurisdiction in respect of a Road Traffic Act Liability;

- (i) **'Road Traffic Act Liability'** shall mean such liability (whether arising out of negligence, breach of statutory duty or otherwise) arising out of the use of a motor vehicle on a road:
 - (1) as is required to be covered by a policy of insurance or security under the Road Traffic Act 1988 or under the equivalent legislation in the Relevant Territories or a relevant foreign country; or
 - (2) as would fall within (1) above were it not for s144 Road Traffic Act 1988 or the equivalent provisions of any enactment within the Relevant Territories or of a relevant foreign country and is in fact covered by a policy of insurance;
- (j) **'satisfy the original judgment creditor'** shall mean to pay or cause to be paid to the original judgment creditor such sum as is due and outstanding under a Road Traffic Act Judgment (including assessed costs or such proportion of the assessed costs as is attributable to the Road Traffic Act Liability) on terms that the judgment is assigned by the original judgment creditor to the Bureau;
- (k) Where something must be done within a specified period of days after a date or an event, the period shall begin on the day following that date or event and the days shall be taken to be calendar days.

(3) **Obligation to satisfy judgments**

- (a) If a Road Traffic Act Judgment is obtained the Article 75 Insurer will satisfy the original judgment creditor if and to the extent that the judgment has not within seven days of the execution date been satisfied by the judgment debtor.
- (b) The making of any payment by an Article 75 Insurer under paragraph (3)(a) of this Article shall not entitle that Member to any reimbursement in respect thereof from the Bureau.
- (c) Subject to complying in all respects with this Article 75, nothing contained in this Article shall affect or be deemed to affect any right of a Member to indemnity or contribution from another Member whether such right arises at common law, by statute, from a claims sharing or other agreement, by subrogation or by assignment of the original judgment creditor's judgment and all such rights shall be determined according to the facts and circumstances of each particular case without reference to this Article.

(4) **Satisfaction of claims by the Bureau**

If it appears to the Bureau to be expedient, the Bureau may itself, at its discretion, settle or compromise any claim in respect of a Road Traffic Act Liability or satisfy any Road Traffic Act Judgment and in any such case the Bureau shall be entitled to recover the sum paid by it from the Article 75 Insurer and or the Insurer.

(5) **Disputes**

All cases giving rise to a dispute involving the Bureau in relation to the interpretation, application or implementation of this Article 75 or any other matters falling within the powers of the Technical Committee as defined in Article 71 shall be dealt with under the following rules of procedure:

- (a) A Member involved in a dispute or potential dispute shall ensure that the matter is handled by a claims manager or person with similar experience. It is recognised that external legal representation might interfere with the objectives and principles set out in paragraph (1) of this Article and accordingly external legal representation shall not be permitted for the purposes of this paragraph (5).
- (b) The Bureau shall contact a potential Article 75 Insurer, if possible via their MIB representative or claims manager, at the earliest practicable opportunity, and give formal written notice of its possible involvement.
- (c) Within three months of the date of the giving of the notice of possible involvement, the Member shall complete any investigations required and advise the Bureau or the Bureau's handling office, in writing, whether it will be meeting the victim's claim wholly or in part and, if there is a valid defence, setting out the basis upon which the claim will be resisted.
- (d) Should the Member not accept its apparent obligation to deal with the case or not respond to the Bureau or the Bureau's handling office within the time period mentioned in (c) above, the Bureau shall prepare a 'Statement of Facts' and submit it to the Member together with its submissions as to why the Member should deal with the case.
- (e) Unless otherwise agreed, then within 21 days of receipt of same, the Member shall respond to the Bureau:
 - (a) to signify its approval and provide its own submissions, or
 - (b) submit comments on the "Statement of Facts" and provide its own submissions.

- (f) Where the case is handled by a handling Member (as described in Article 77, the handling Member shall send the Statement of Facts, together with any accompanying submissions from the Member and the handling Member to the Bureau within a further 14 days, whether or not agreed by the Member.
- (g) Subject to paragraph (4) of this Article (Satisfaction of claims by the Bureau), the victim's claim shall continue to be processed whilst the dispute is in the course of being resolved.
- (h) Subject to paragraph (6) of this Article (Right of Appeal), the Technical Committee shall determine the Member's involvement or otherwise on the basis of the Statement of Facts, whether or not agreed by the Member and no further evidence may be admitted, save in exceptional circumstances as may be agreed by the Technical Committee at the time (and only upon payment to the Bureau of a fee of £2000 to reflect the additional administrative burden of considering such further evidence).

Notwithstanding the foregoing, the Technical Committee on behalf of the Bureau may waive the fee in whole or in part.

- (i) If:
 - (i) the Technical Committee decides any issue against a Member; or
 - (ii) the Member withdraws from the dispute after 21 days (or after the expiry of whatever period has been agreed) of the issuing of the Statement of Facts under sub-paragraph (d) above; or
 - (iii) the Member shall fail within 21 days (or within whatever period has been agreed with the Bureau) of the Member's receipt of the Statement of Facts under sub-paragraph (d) above to signify the Member's approval of such Statement of Facts or submit comments or submissions;

that Member shall, in the case of sub-paragraphs (i) and (ii), within 14 days of the relevant event, reimburse the Bureau any expenditure in connection with the case or deal with the claim as may be appropriate and, in any case, pay to the Bureau a fee of £2,000 in respect of each of sub-paragraphs (i)-(iii) that shall be relevant (up to a maximum, aggregate fee of £6,000).

Notwithstanding the foregoing, the Technical Committee on behalf of the Bureau may waive the fee in whole or in part.

- (j) If the Technical Committee adjudicates in a dispute between Members, the fee referred to in (h) above shall be payable by the Member against whom the case is decided (or, where the Technical Committee decides a dispute in part against one Member and in part against another or others, the fee shall be apportioned between the Members as the Technical Committee shall in its absolute discretion decide).
- (k) Solicitors' costs and any disbursements (in each case in relation to the claim arising out of the Road Traffic Act Liability, not in relation to the dispute before the Technical Committee) as from the date of notification under paragraph (5)(b) of this Article will follow the Technical Committee's decision.
- (l) Notwithstanding the foregoing and the obligation set out in paragraph (3)(a) of this Article, nothing shall prevent a Member who may be involved under the terms of this Article from electing, with the agreement of the Bureau, to handle the case until such time as the matter is determined by the Technical Committee.

(6) **Right of Appeal**

A Member affected by a decision of the Technical Committee under this Article 75 shall have a right of appeal against such decision in accordance with the following procedure.

- (a) The Member wishing to appeal shall give to the Bureau written notice within 30 days of the Member's MIB representative being notified of the decision of the Technical Committee.
- (b) The notice of appeal shall be signed by or on behalf of the appellant's MIB representative and shall set out the grounds for the appeal. Written arguments and evidence upon which the appeal is based shall accompany the notice of appeal or follow within 30 days.
- (c) If the decision of the Technical Committee involved a Member other than the appellant, the Bureau shall, within 14 days of receipt of the notice of appeal, inform that other Member and, within 14 days of receipt of the appellant's arguments and evidence, forward the same to that other Member. The Members involved in the dispute other than the appellant shall each have 30 days (beginning with the day on which each is notified of the arguments and evidence of the appellant) within which to prepare and submit to the Bureau and all other Members involved in the dispute decided by the Technical Committee, any opposing arguments or evidence.

- (d) If the appellant or any other Member involved in the dispute shall put forward any evidence not put before the Technical Committee, the appeal shall be referred back to the Technical Committee for it to reconsider its previous decision in the light of the new evidence (and the remaining provisions of this paragraph 6 shall not apply).
- (e) Subject to sub-paragraph (d), at the expiry of the last of the 30 day periods referred to above, the Bureau shall propose to the appellant and any other Members involved in the dispute a list of three possible arbitrators, who shall each be Queen's Counsel (or, if such appointment shall cease to exist, a barrister of at least 15 years call). The Bureau, the appellant and any other Members involved in the dispute shall use their best endeavours to agree upon the identity of one arbitrator but, in default of agreement within 10 days of the Bureau nominating the list of three possible arbitrators, the matter shall be referred to the President of the Bar Council for him to appoint an arbitrator of equivalent standing to that described above.
- (f) Upon the appointment of the arbitrator, the Bureau shall send to the arbitrator the written submissions of the appellant and any other Members involved in the dispute, referred to in sub-paragraph (c) above, together with such written submissions as the Bureau may choose to make (copies of which shall be sent to the appellant and any other Members involved in the dispute).
- (g) The arbitrator shall decide the appeal on the written submissions and evidence alone but he may at any time request further written submissions (but not further evidence) from the Bureau, the appellant or any other Members involved in the dispute.
- (h) The arbitrator may decide that the decision of the Technical Committee was, having regard to this Article 75 and in particular the principles and objectives set out in paragraph (1) of this Article, reasonable or that it was not reasonable. The arbitrator may make no other finding in relation to the decision of the Technical Committee. If the arbitrator shall decide that the decision was reasonable, the decision shall stand. If the arbitrator shall decide that the decision was not reasonable, he shall determine the matter and his determination shall replace the decision of the Technical Committee in relation to that matter.
- (i) The arbitrator's fees shall be paid as he shall in his absolute discretion determine, save that if the appellant shall withdraw his appeal or any other Member shall withdraw its opposition to the appeal after the appointment of the arbitrator but before he notifies his decision to the parties, the arbitrator's fees

shall be borne by the appellant or the other Member (as the case may be) alone. Without prejudice to the foregoing, in determining who shall be responsible for his fees and in what proportion, the arbitrator may take account of any failure by any Member involved in the dispute to co-operate with the arbitrator or abide by the terms of any procedures or timings laid down by the arbitrator or this paragraph 6 of Article 75.

- (j) If the arbitrator shall decide that any Member shall be required to pay the whole or part of his fees, such sum shall be paid to the arbitrator (or, if already paid by the Bureau, paid to the Bureau) within 14 days of the notification of the arbitrator's decision (and the provisions of Article 17 shall apply to such payment).
- (k) The decision of the arbitrator shall be final and binding upon the Members involved in the dispute and the Bureau and there shall be no further right of appeal from a decision of the arbitrator.
- (l) For the avoidance of doubt, each Member involved in the dispute which is the subject of an appeal shall be responsible for its own costs in preparing for the appeal and presenting its submissions.

(7) Claims involving interpretation of Uninsured Drivers' Agreement

Where a Member handles a claim (whether as a result of election on the part of the Member or by decision of the Technical Committee) as Article 75 Insurer, on behalf of the Bureau, applying the Uninsured Drivers' Agreement, the Member will notify the Bureau within 7 days of becoming aware of a dispute concerning the interpretation of the Uninsured Drivers' Agreement and provide copies and summaries of all procedural and other relevant documents.

Thereafter the handling of the claim will be carried out in consultation with the Bureau.

DATA QUALITY SELF-REGULATION

76. (1) Interpretation of Article 76

For the purposes of this Article 76

- (a) "Data Quality Requirements" means the requirements for data on the MID (including but not limited to Mandatory Policy Data) to be complete and accurate and compliant with:-
 - (i) TTS Targets;

- (ii) The Regulations;
 - (iii) the requirements from time to time stipulated by any governmental body who delegates its authority to the Bureau to operate the MID;
 - (iv) any other guidelines, targets or criteria the Bureau may reasonably stipulate from time to time after prior consultation with any appropriate government body or regulator as the case may be; and
 - (v) any relevant terms contained in any Members' Participating Insurers Agreement.
- (b) "Insured Motor Vehicle" means any motor vehicle insured by a Member.
 - (c) "Mandatory Policy Data" means in respect of each Insured Motor Vehicle the information required or to be provided by each Member pursuant to:-
 - (i) The Regulations; and
 - (ii) the functional specification provided to all Members by the Bureau from time to time.
 - (d) "MID 1" means that part of the MID which relates to Insured Motor Vehicles or policies concerning Insured Motor Vehicles which are insured on an individual basis.
 - (e) "MID 2" means that part of the MID which relates to Insured Motor Vehicles or policies concerning Insured Motor Vehicles which are not related to MID 1, in particular those generally referred to as "Fleet and/or motor trade".
 - (f) "Sanctions" means additional Member's Levies by the Members, or cessation of membership of the Bureau imposed upon a Member or Members under the Sanction Rules.
 - (g) "Sanction Rules" means the rules determined by the Board from time to time for the procedures, criteria and form for assessing and determining Sanctions, a copy of such rules being provided to Members by the Bureau not less than 3 months prior to them being approved by the Board unless such rules have previously been approved by the Members by special resolution at a general meeting of the Members or in a resolution in writing of the Members.
 - (h) "The Regulations" means The Motor Vehicles (Compulsory Insurance) (Information Centre and Compensation Body) Regulations 2003.

- (i) "TTS Targets" means timelines to supply Mandatory Policy Data set by the Bureau from time to time which, at the date of adoption of these Articles, are as follows:-
 - (i) for MID 1 up to 31 December 2007 all Mandatory Policy Data is to be on the MID within 14 days of any relevant change;
 - (ii) for MID 1 from 1 January 2008 all Mandatory Policy Data is to be on the MID within 7 days of any relevant change;
 - (iii) for MID 2 all Mandatory Policy Data concerning policies is to be on the MID within 14 days of any relevant change;
 - (iv) for MID 2 all Mandatory Policy Data concerning an Insured Motor Vehicle is to be on the MID within 21 days of any relevant change.

76 (2) **Overriding Principle of Data Quality Compliance**

Each Member shall use its best endeavours to comply with Data Quality Requirements at all times and such best endeavours shall include but not be limited to:-

- (a) liaising with the Bureau;
- (b) appointing a person of appropriate executive seniority within that Member's organisation ("the MID Sponsor"), notifying the Bureau of such appointment and liaising with the Bureau in all matters relating to the Member's satisfaction of the Data Quality Requirements;
- (c) permitting regular monitoring by the Bureau of the Member's compliance with Data Quality Requirements;
- (d) giving the Bureau such assistance as the Bureau reasonably requires to ensure adequate monitoring of the Member's compliance with Data Quality Requirements;
- (e) establishing all appropriate and necessary business processes and resources so that the Member can comply with the Data Quality Requirements;

76 (3) **Sanctions**

- (a) Pursuant to the Sanction Rules failure by any Member or Members to comply with :-
 - (i) Article 76 (2) : or

- (ii) any specific compliance criteria for MID 1 or MID 2 set out in the Sanction Rules

may in the case of Article 76 (3) (a) (i) result in the Bureau imposing Sanctions, including if the Bureau so determines cessation of membership of the Bureau, of a Member pursuant to Article 11 and in the case of Article 76 (3) (a) (ii) result in a Member or Members paying additional Member's Levies to the Bureau pursuant to the Sanction Rules in addition to those payable under Article 15.

- (b) Each Member agrees to be bound by and adhere to:-
 - (i) any determination of the Bureau pursuant to the Sanction Rules as final and binding subject only to the rights of appeal set out in Article 76 (4) provided always that in the event of any inconsistency between these Articles and the Sanction Rules the Sanction Rules shall prevail; and
 - (ii) the provisions of paragraph 1 of the Sanction Rules.

76 (4) **Appeals**

Any appeal against any Sanction shall be dealt with pursuant to the Sanction Rules save in respect of any decision to have a Member's Membership of the Bureau cease in which case such Member shall be entitled to appeal any decision of the Bureau in the English Court under any remedy such Member may have at law.

HANDLING OF CLAIMS

77. (1) The Board shall from time to time determine the terms upon which Members may handle claims (including, without limitation, the fee, the claims handling procedure, services standards and method of control of claims) or cease to handle claims.
- (2) Any member may by agreement with the Bureau (acting by the Board or by any person or persons to whom the Board may have delegated such powers pursuant to Article 56) handle claims or cease to handle claims, in each case upon such terms as may be determined pursuant to Article 77 (1).
- (3) Upon the occurrence of any event listed in Article 10(1) or (2), a Member handling claims shall return to the Bureau all papers and files relating to such claims shall return to the Bureau all papers and files relating to such claims and all fees received by the Member from the Bureau in respect of claims which have not been settled (irrespective of the amount of work the Member may have carried out on such claims).

NOTICES

78. Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this Article, Article 38(4), Article 38(5), Article 79 and Article 81, 'address', in relation to electronic communications, includes any number or address used for the purposes of such communications.
79. The Bureau may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member or by giving it using electronic communications, in each case:
- (1) to his principal address within the United Kingdom; or
 - (2) in the case of a Member having an Accredited Agent, to the principal address of the Accredited Agent or to the Member's principal foreign address at the discretion of the Board from time to time; or
 - (3) in the case of a notice given by electronic communication, to an address for the time being notified to the Bureau by the Member.
80. A Member present either in person or by proxy at any meeting of the Bureau shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
81. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.
82. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.