

# **Articles of Association of the Polish Vehicle Rental and Leasing Association**

## **Chapter 1**

### **General Provisions**

#### **Article 1**

The name of the organisation in Polish shall be “Polski Związek Wynajmu i Leasingu Pojazdów” and it shall be hereinafter referred to as the “Association”. The abbreviated name of the Association in Polish shall be “PZWLP”. The Association’s name in English shall be: the “Polish Vehicle Rental and Leasing Association” and the abbreviated name in English shall be “PVRLA”.

#### **Article 2**

1. The Association shall operate pursuant to the Employers’ Organisations Act of 23 May 1991 (Polish Journal of Laws No. 55, item 235 of 1991, as amended) and these Articles of Association.
2. The provisions of the Act referred to in item 1 shall apply to any matters not regulated herein.

#### **Article 3**

The Association shall operate in the Republic of Poland and in other countries, subject to the applicable laws.

#### **Article 4**

The Association shall have a perpetual existence.

#### **Article 5**

The registered office of the Association shall be in Warsaw.

#### **Article 6**

The Association’s activities shall be based on the activities of its Members. The Association may hire employees to conduct its affairs. The Association may carry on economic activity related to its statutory purposes.

## **Article 7**

The Association may establish and join federations and confederations of employers' associations and also join international organisations of employers.

## **Chapter 2**

### **Purposes and Tasks, As Well As Means and Forms of Their Execution**

## **Article 8**

The primary task of the Association shall be to protect the rights and represent the interests of its Members in relations with trade unions, the authorities and state administration, the local government units and on the international scene in order to promote and develop the leasing and rental industry, as well as other forms of providing paid access to cars and other vehicles; notably, the Association shall:

1. represent the social and economic interests of the Association's Members;
2. support the activities of the Association's Members relating to their negotiations concerning compromise agreements and collective bargaining, as well as relating to their collective labour disputes;
3. organise and support the education of the Association's Members on labour relationships, economy, law and organisation;
4. support and promote activities aimed at the development of entrepreneurship in the industry;
5. initiate and carry out training activities and training programmes for the industry representatives on the product sales, promotion and advertising;
6. organise fairs, exhibitions and other events of advertising- and promotional nature related to the industry;
7. organise scientific conferences and sessions;
8. establish and maintain relationships with clients in the industry;
9. search for and promote new channels for distribution and for communication with the clients in the industry;

10. assist and cooperate with other organisations as well as government and non-government institutions that deal with the automotive industry and that support the development of entrepreneurship in Poland and abroad;
11. support, organise and carry out projects that support the industry as well as provide their media service;
12. reach out to self-governments with comprehensive educational and informational programmes; and
13. support lawful actions to influence the shape of industry-related legislation (lobbying).

### **Article 9**

The Association shall perform its tasks by means of the following:

1. representing the industry of rental, lease and other forms of providing paid access to cars and other vehicles in contacts with third parties and state authorities, as well as the local government units;
2. taking part in the legislative works concerning the industry and protecting the interests of the Association's Members;
3. developing and placing advertisements and sponsored articles in the media;
4. initiating and financing educational programmes in the media (the TV, the press and the Internet);
5. publishing business;
6. financing film- and TV productions;
7. participating in domestic- and international industry fairs;
8. establishing information points during scientific conferences and sessions;
9. setting up and initiating meetings and other forms of social impact to promote and support the industry;

10. integrating the circles that are interested in the promotion of the industry;
11. setting up regular exchange of information among institutions, organisations and other entities that are interested in the area of the Association's activities;
12. taking actions on its own or in collaboration with other organisations to promote the statutory tasks of the Association;
13. establishing organisations, to the extent permitted by law, to implement the statutory tasks; and
14. utilising funds to implement the statutory projects.

### **Chapter 3**

#### **Members, Their Rights and Duties**

##### **Article 10**

1. The Association's Members may be employers, within the meaning of Article 3 Section 1 of the Labour Code, who are natural persons and legal persons as well as other entities that do not have a legal status, who operate their business in the area of lease, rental and other forms of providing paid access to cars and other vehicles.
2. As at the time of applying for membership, applicants are required to furnish a statement, along with the membership application form, concerning the car fleet owned as at the last day of the month falling six months before the end of the month preceding the month in which such a membership application form was filed, where the car fleet shall not be smaller than:
  - a) 1,500 cars (in total, as part of the Full Service Leasing and Leasing & Service) for long-term rental (Car Fleet Management) companies and lease companies, or
  - b) 800 cars (in total, as part of the short- and mid-term rental service) for companies that provide short- and mid-term rental services (Rent-a-Car companies)
3. A decrease in the car fleet upon becoming an Association's Member shall not result in the loss of the entity's Membership in the Association.

##### **Article 11**

1. The decision on approving or rejecting a new Association's Member shall be taken by the Management Board of the Association by way of a resolution. Employers who apply for membership in the Association shall receive a written notice of the Management Board's decision in that respect.

2. In order for the Management Board to pass the resolution referred to in item 1, the employer who applies for membership in the Association must first submit to the Association a written declaration, along with the required appendices, according to the template approved by the Management Board of the Association, a statement regarding the size of its fleet and written letters of recommendation from at least three Association's Members, subject to item 3.
3. The letters of recommendation referred to in item 2 may only be issued by the Association Members whose main business object is identical with the main business object of the employer that applies for membership in the Association. In particular, the letters of recommendation shall not be issued by an Association Member if at least one of the below circumstances occurred:
  - a) there are reasonable grounds to suspect that the employer applying for membership in the Association breached law or principles of morality, and/ or
  - b) there is no similarity between the main business object of the employer that applies for membership in the Association and the business object of the Association.
4. The Management Board shall have the right to verify the statements referred to in item 2.
5. The resolution referred to in item 1 may be appealed against to the General Meeting of Members within 14 days as of the delivery date of the written notice referred to in item 1.

## **Article 12**

1. The Association's Members shall have the right to:
  - a) elect and be elected as members of the Association's governing bodies,
  - b) submit opinions and proposals concerning the Association's activities, and
  - c) take advantage of free advice and training courses offered by the Association.
2. The Association's Members are required to:
  - a) adhere to the Articles of Association, the bylaws and resolutions of the Association's governing bodies, unless they violate the economic autonomy and independence of an Association Member,
  - b) take an active part in the implementation of the statutory tasks and purposes of the Association,

- c) pay the membership dues and other payables to the Association on a regular and timely basis in the amount determined by the General Meeting of Members, and
- d) protect the reputation of the Association.

### **Article 13**

1. The Membership shall be terminated if the entity:
  - a) ceases to operate its business,
  - b) loses its status as an employer,
  - c) tenders a voluntary written resignation from the membership in the Association to the Management Board, in accordance with Article 14 hereof,
  - d) is deleted from the list of Members for being late with payment of membership dues, without presenting a reason therefor, if the delay in the payment is at least two months from the payment date set out in the accounting note concerning the membership dues for a given calendar year which was issued in accordance with the resolution of the General Meeting of Members, as referred to in Article 15.2,
  - e) is excluded for a material breach of the provisions of these Articles of Association or of the resolutions of the Association's governing bodies,
  - f) is excluded for acting to the detriment of the Association.
2. Membership shall be terminated in accordance with item d) in that the Association's Management Board shall take a resolution which the Member may appeal to the General Meeting of Members within 14 days as of the receipt date of the Management Board resolution.
3. Membership shall be terminated in accordance with items e) and f) in that the General Meeting of Members shall take a resolution to that effect. In order to be valid, a resolution concerning the exclusion of a member must be taken by a two thirds majority where the quorum shall be two thirds of the total number of votes.

#### **Article 14**

Voluntary resignation from the membership in the Association shall be effective upon submitting a written letter of resignation. Membership shall be terminated within 30 days as of the delivery date of the letter to the Management Board of the Association, unless the letter is withdrawn beforehand.

#### **Article 15**

1. The Association's Members are required to pay annual dues determined on terms and conditions referred to in item 2 hereinbelow.
2. The amount of the membership dues shall be determined by the General Meeting of Members by way of a resolution taken by a two-thirds majority of votes in the presence of persons representing at least a half of the total number of votes. In order to determine the amount of the membership dues in any given year, each Association Member must submit a statement on the size of their car fleet as at 30 June of the preceding year and as at 31 December of the preceding year. The statements referred to in the previous sentence must be submitted no later than by 20 July of the preceding year and by 20 January of the year following the year to which the statement refers. The deadline for the statement submission may be extended as appropriate.
3. Paid membership dues for the current year shall not be refunded upon termination of membership (in accordance with Article 13) or voluntary resignation of a Member from the membership in the Association (under Article 14).

### **Chapter 4**

#### **Governing Bodies of the Association**

#### **Article 16**

The governing bodies of the Association shall be:

1. the General Meeting of Members,
2. the Management Board of the Association, and
3. the Audit Committee

## **Article 17**

1. The Members of the Association's Management Board and of the Audit Committee shall be elected by the General Meeting of Members for a two-year term of office. They shall be elected in an open voting by the absolute majority of votes.
2. Subject to item 4, only a person authorised to represent an Association Member pursuant to an entry in the relevant register, who is disclosed in that register on the day when the General Meeting of Members passes a resolution on the appointment of the Association's Management Board, may be a member of the Management Board.
3. At least one member of the Association's Management Board should be authorised to represent an Association Member who is a company that operates in the short- and mid-term rental market (a Rent-a-Car company).
4. The General Meeting of Members may also appoint, to the Association's Management Board, persons who are not authorised to represent an Association Member, with the reservation that the resolution on the appointment of such a person must be passed by a qualified two thirds majority of votes where the quorum is two thirds of the total number of votes.
5. The Members of the Association's Management Board and of the Audit Committee may be recalled from their function at any time by the General Meeting of Members. They shall be recalled in an open voting by the absolute majority of votes.

## **Article 18**

1. Where a Member of the Association's Management Board or of the Audit Committee resigns, is recalled or dies during a term of office, the vacancy on the governing bodies shall be filled by holding by-elections.
2. In the case described in item 1 hereinabove, the Management Board shall set the date of the by-elections not later than within 2 months as of the day on which a given Member of the Management Board or of the Audit Committee resigned, was recalled or died.
3. The term of office of the Members of the Association's governing bodies elected during the by-elections shall expire upon the expiry of the term of office of the other members of those governing bodies.



## General Meeting of Members

### Article 19

1. The General Meeting of Members shall be the highest authority of the Association.
2. General Meetings of Members may be ordinary or extraordinary.
3. The presence of persons representing at least a half of the total number of votes shall be required in order to adopt resolutions of the General Meeting of Members, unless stricter requirements are imposed by a special regulation or the provisions of these Articles of Association.
4. The number of votes at the General Meeting of Members falling to individual Members of the Association shall be determined as the second degree root divided by 10:
  - a) out of the total number of cars as part of the Full Service Leasing and Leasing & Service for long-term rental (CFM) companies and lease companies. The result of the above equation is rounded up to the nearest figure, i.e. when the first digit after the decimal point is greater than or equal to 5, the result of the equation is increased by one, and when the number is smaller than 5, the digits after the decimal point are omitted;
  - b) out of the total number of cars as part of the short- and mid-term rental service for companies that provide short- and mid-term rental services (Rent-a-Car companies). The result of the above equation is rounded up to the nearest figure, i.e. when the first digit after the decimal point is greater than or equal to 5, the result of the equation is increased by one, and when the number is smaller than 5, the digits after the decimal point are omitted;
  - c) out of the total number of cars as part of the short-term rental, mid-term rental, Full Service Leasing and Leasing & Service for companies that operate in the CFM and Rent-a-Car businesses in equal shares. The result of the above equation is rounded up to the nearest figure, i.e. when the first digit after the decimal point is greater than or equal to 5, the result of the equation is increased by one, and when the number is smaller than 5, the digits after the decimal point are omitted;
5. The total number of votes at the General Meeting of Members shall be the sum of votes falling to all Members of the Association.
6. The number of votes at the General Meeting of Members falling to the individual Association Members shall be determined, each year, by the Audit Committee, by way of a resolution

based on the written statements of each Association Member concerning the size of their respective fleets as at 30 June of the preceding year. The statement referred to in the previous sentence must be submitted no later than by 20 July of the preceding year. The deadline for the statement submission may be extended as appropriate.

7. The Audit Committee shall have the right to verify the statements referred to in item 6.
8. Subject to item 9, the number of votes falling to the individual Association Members and the total number of votes at the General Meeting of the Members shall be effective during all General Meetings of the Members until the Audit Committee determines a new number of votes falling to the individual Members and the total number of votes during the General Meeting of Members, in accordance with the rules described in item 6.
9. Where a new Association's Member is admitted to the Association and when determining the number of votes to which such an Association's Member is eligible, the Audit Committee shall take into account the statement concerning the fleet size submitted by the new Member along with the application for membership in the Association. In such a case, the votes of the new Association's Member are added to the total number of votes at the General Meeting of the Members determined in accordance with item 4, and the new total number of votes at the General Meeting of Members determined in such a way shall be effective until the Audit Committee determines a new number of votes falling to the individual Members and the total number of votes during the General Meeting of Members, in accordance with the rules described in item 6.
10. Where the Audit Committee fails to determine the number of votes by 31 January of the year following the year to which the statement referred to in item 6 refers to, or within 30 days as of the admission of a new Association Member, the number of votes shall be determined by the Management Board of the Association. In such a case, the Management Board of the Association shall also have the right to verify the statements referred to in item 6.
11. Where an Association Member fails to submit the statement referred to in item 6 within the prescribed deadline, the Management Board of the Association shall determine the number of votes to which such a Member is eligible during the General Meetings of the Members on the basis of the most recent written statement in regard to the size of that Member's car fleet that was submitted by that Member within the deadline prescribed in item 6. In case such a statement is missing, the Management Board of the Association shall consider the Member's statement concerning the fleet size submitted along with the application for membership in the Association. If an auditor examines the size of the fleet, as referred to in Article 24.2.m) hereof, in terms of the data valid as at 30 June of the preceding year, the Management Board of the Association shall consider the data determined by the auditor.

## **Article 20**

1. The Management Board of the Association shall convene the Ordinary General Meeting of Members at least once a year to present the report on the operations of the Association's governing bodies. The Management Board shall notify the Members of the venue, date and agenda of the General Meeting at least 14 days before the date of the Meeting.
2. The General Meeting of Members shall debate in accordance with the agenda proposed by the Management Board and accepted by the Members by a simple majority of votes during an open voting at the beginning of the debates. Each Member may supplement the agenda by submitting an item to be considered as part of any other business at the end of the General Meeting of Members.
3. The debates of the General Meeting of Members shall be chaired by the Chairperson who shall be elected at the opening of the meeting by a majority of votes in an open voting.

## **Article 21**

1. The Management Board shall convene the Extraordinary General Meeting of Members on its own initiative or upon the motion of persons who represent at least one third of the total number of votes, and shall notify the Members of the date, venue and agenda of the Meeting at least 14 days before the date of the Meeting.
2. The Extraordinary General Meeting of Members shall pass resolutions only in matters for which it was convened, unless the Extraordinary General Meeting of Members is attended by persons who represent one hundred per cent of the total number of votes and none of those present objects to a resolution.

## **Article 22**

The powers of the General Meeting of Members shall be:

1. to determine the main directions of the subject-related and financial activity of the Association,
2. to resolve on the amendments to the Articles of Association,
3. to resolve on the bylaws of the Association's governing bodies,

4. to elect and recall the Members of the Association's Management Board and of the Audit Committee,
5. to approve or deny approval, during a secret vote, to the actions taken by the outgoing Management Board at the motion of the Audit Committee,
6. to determine the amount of the membership dues,
7. to review the appeals against the decision of the Association's Management Board, as referred to in Article 13.2,
8. to pass a resolution on the dissolution of the Association and on the allocation of its assets,
9. to take resolutions, during a secret vote, on the exclusion of an Association Member,
10. to approve the annual budget of the Association as proposed by the Management Board, and
11. to review matters that fall outside the powers of the other governing bodies of the Association.

### **Management Board of the Association**

#### **Article 23**

1. The Management Board shall be in charge of the day-to-day activities of the Association and represent it to the outside.
2. The Management Board shall have three (3) to five (5) members, including the President.
3. Meetings shall be convened by the President as needed, however, not less frequently than every two months.

#### **Article 24**

1. The Management Board shall manage the affairs of the Association and represent the Association. The Management Board of the Association shall be liable towards the General Meeting of the Members.

2. The powers of the Management Board of the Association shall be in particular:
- a) to execute the resolutions of the General Meeting of the Members,
  - b) to determine the detailed programmes of the Association's activity based on the resolutions of the General Meeting of the Members,
  - c) to admit new Members,
  - d) to conclude and terminate agreements with employees,
  - e) to ensure subject-related as well as technical- and office support for the Association's activity,
  - f) to make and accept declarations of will on behalf of the Associations, including in particular those concerning the assets of the Associations and conclusion of agreements,
  - g) to convene Ordinary- and Extraordinary General Meetings of Members,
  - h) to take part in the General Meeting of the Members,
  - i) to grant powers of attorney,
  - j) to submit proposals to the General Meeting of the Members,
  - k) to determine the Association's budget so that it may be presented to the General Meeting of the Members for approval,
  - l) to manage the Association's assets,
  - m) to select an independent auditor in order to examine the size of the fleet declared by an Association Member versus the actual fleet size as at 30 June of the year preceding such an audit, which is the basis for determining the membership dues and/or the number of votes during the General Meeting of the Members,

- n) to select an independent auditor in order to examine the size of the fleet declared by an Association Member versus the actual fleet size as at 31 December of the preceding year, which is the basis for determining the Member's membership dues.
3. The Management Board of the Association shall pass resolutions by a simple majority of votes in an open voting, in the presence of at least a half of the Members of the Association's Management Board. In the event of a tie, the President of the Management Board shall have a casting vote.
4. Resolutions of the Management Board of the Association may also be passed outside a meeting – in writing (by way of circulation) or using means of direct remote communications, such as the fax or e-mail.

#### **Article 25**

Each Member of the Management Board acting on his/ her own shall be empowered to make and accept declarations of will on behalf of the Association; however, if the declaration of will is to result in the assumption of an obligation or disposal of a right, the declarations on behalf of the Association shall be submitted by two Members of the Management Board acting jointly. The Management Board may dispose of rights and assume obligations up to the amount of the Association's budget for any given year. Prior consent of the General Meeting of Members shall be required for any actions exceeding the value of the Association's annual budget.

#### **Audit Committee**

#### **Article 26**

1. The Audit Committee shall be a governing body of the Association which is convened in order to exercise control over its operations.
2. The Audit Committee shall comprise 3 to 5 members who shall elect the Chairperson out of their number.

#### **Article 27**

The powers of the Audit Committee shall be:

1. to audit, at least once a year, the operations of the Association in terms of their compliance with law, principles of economy and resolutions of the General Meeting of Members,

2. to present the Management Board with conclusions arising from the audit findings and demand explanations,
3. to request the convention of the Extraordinary General Meeting of the Members and also the right to convene a Management Board meeting,
4. to convene an Ordinary General Meeting of Members if the Management Board fails to convene such meeting within the time frame set out herein,
5. to request the General Meeting of Members for approval of the actions taken by the outgoing Management Board,
6. to submit reports on their operations at the General Meeting of the Members and to the Management Board, and
7. to advise on the Management Board's motions to the General Meeting of Members for exclusion of a Member, pursuant to Article 13.1.e) of the Articles of Association.

#### **Article 28**

1. Members of the Audit Committee must not hold any other functions in the governing bodies of the Association.
2. Resolutions of the Audit Committee shall be adopted by a simple majority of votes in an open voting in the presence of at least two thirds of the total number of eligible members.
3. The Audit Committee shall have the right to demand that the Members and the governing bodies of the Association submit written or verbal explanations concerning the audited matters.

### **Chapter 5**

#### **Assets and Funds**

#### **Article 29**

1. The Association's assets shall be created out of the membership dues, donations, inheritances, bequests, proceeds from its own activity, proceeds from the economic activity related to the statutory objectives and proceeds from the assets.

2. The funds and the assets of the Association shall be managed by the Management Board.
3. The Association shall conduct financial management and accounting in compliance with applicable law.

## **Chapter 6**

### **Amendments to the Articles of Association and Dissolution of the Association**

#### **Article 30**

1. In order to be valid, amendments to the Articles of Association and a resolution on the dissolution of the Association by the General Meeting of Members must be taken by a qualified two-thirds majority where the quorum shall be two-thirds of the total number of votes.
2. In the event of failure to reach the required qualified two-thirds majority of votes while maintaining the quorum of two-thirds of the total number of votes concerning a resolution on an amendment to the Articles of Association, the next voting on the resolution concerning the same amendment to the Articles of Association shall require an ordinary majority of votes.
3. If there is no quorum of two-thirds of votes which prevents voting on a resolution concerning an amendment to the Articles of Association according to the rules prescribed in item 1, the next voting on the resolution concerning the same amendment to the Articles of Association shall require an ordinary majority of votes.
4. When taking the resolution on the dissolution of the Association, the General Meeting of Members shall determine the use of the Association's assets.
5. The liquidation of the Association's assets shall be carried out by the Management Board of the Association under the supervision of the Audit Committee.
6. As for any matters concerning the termination and liquidation of the Association that have not been regulated herein, the relevant provisions of the Employers' Organisation Act shall apply accordingly.