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# ARTICLES OF ASSOCIATION

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## CONTENTS

CHAPTER I: Name - Registered office - Purposes - Duration .....	3
Article 1. : Definitions .....	3
Article 2. : Name of the Association .....	4
Article 3. : Registered Office of the Association.....	5
Article 4. : Purpose of the Association.....	5
Article 5. : Duration of the Association.....	6
CHAPTER II: Members, Associated Members and Observer Members of the Association .....	7
Article 6. : Founding Members of the Association .....	7
Article 7. : Admission of New Members.....	7
Article 8. : Change of control of a Member .....	7
Article 9. : Associated Members .....	8
Article 10. : Observer Members .....	8
Article 11. : Resignation of Members, Associated Members and Observer Members .....	9
Article 12. : Suspension of participation and/or voting rights - Exclusion of Members, Associated Members and Observer Members .....	9
Article 13. : Compliance with rules issued by the Association .....	10
CHAPTER III: Bodies of the Association.....	11
Article 14. : Bodies of the Association.....	11
Article 15. : The Assembly.....	11
Article 16. : The Board.....	18
Article 17. : The Representation of the Association.....	22
Article 18. : The Committees .....	22
Article 19. : The Legal and Regulatory Group.....	26
Article 20. : The Regional Groups and the Voluntary Regional Groups .....	29
Article 21. : The Secretariat .....	30
CHAPTER IV: Financial Arrangements .....	32
Article 22. : Budgetary Matters .....	32
Article 23. : Financial Year .....	32
Article 24. : Annual Accounts .....	33
CHAPTER V: Miscellaneous Provisions .....	34
Article 25. : Modification of Articles of Association.....	34
Article 26. : Liquidation .....	34
Article 27. : Internal Regulations .....	34
Article 28. : Governing law – Competent jurisdiction .....	34
Article 29. : Interpretation .....	35

## CHAPTER I: Name - Registered office - Purposes - Duration

### Article 1. : Definitions

For the application of the present Articles of Association, the following definitions apply:

1. « Articles of Association »: the present articles of association;
2. « Assembly »: the General Assembly of the Association being the general leading body of the Association which is composed of the Members of the Association in accordance with Article 15(3);
3. « Associated Member »: TSO which is not a Member of the Association but meets certain minimum requirements laid down in Article 9 and has been granted the status of Associated Member by the Assembly;
4. « Association »: the international non-profit association 'European Network of Transmission System Operators for Electricity (ENTSO-E)';
5. « Board »: the managing body of the Association;
6. « Business Day »: a day which is not a Saturday, a Sunday or a public holiday in Belgium;
7. « Chairperson of a Committee »: physical person who has been appointed by the Assembly as the Chairperson of the Committee concerned;
8. « Chairperson of the Board »: physical person who has been appointed by the Assembly as the Chairperson of the Board;
9. « Chairperson of the Legal and Regulatory Group »: physical person who has been appointed by the Assembly as the Chairperson of the Legal and Regulatory Group;
10. « Committee »: a working body mentioned in Article 18(1) in charge of a specified area of TSO cooperation;
11. « Convenor »: physical person appointed in accordance with Article 26 of the Internal Regulations who is in charge of chairing a working group, a (Voluntary) Regional Group, a task force or an Expert Group;
12. « Cross Committee Implication Concern »: a matter handled by a Committee or by the Legal and Regulatory Group that affects the interests or competences of (an) other Committee(s) or of the Legal and Regulatory Group;
13. « Employee »: a person working for a Member on the basis of either an employment contract or a management contract, provided that the work performed on the basis of the employment contract or management contract takes more than half of his working hours;
14. «Expert Group »: a group of TSO experts having a cross-committee coordination function and whose main role is to support the Secretariat and the Committees when working on cross-Committees activities and to support the Board in the fulfilment of its mission of coordination of the work of and between the Committees and the Legal and Regulatory Group;
15. « Founding Member »: TSO which has participated in the foundation of the Association and has the status of Member of the Association;
16. « He »: when referred to a physical person, « he » equals « she ». In the same way, “his” equals “her”.
17. « IEM »: the Internal Electricity Market meaning the liberalised market for electricity in the EU, as intended by the Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC;
18. « Internal Regulations »: the internal working rules of the Association;

19. « Legal and Regulatory Group »: the working body mentioned in Article 19 in charge of advising on and monitoring the legal and regulatory affairs of the Association;
20. « Major Transmission System Matter »: a transmission system matter that a Member considers as having major strategic significance for one or several Members or as affecting in a significant manner the technical, market or financial conditions of its or their mission;
21. « Member » or « Member of the Association »: Founding Member and/or TSO which is admitted to membership in accordance with Article 7;
22. « Observer Member »: a transmission system operator which is not a Member or an Associated Member of the Association but meets certain minimum requirements laid down in Article 10 and has been granted the status of Observer Member by the Assembly;
23. « President » or « President of the Association »: physical person who has been appointed by the Assembly among the Representatives of the Members of the Association as the president of the Assembly;
24. « Regional Group »: a body of two or more Members from two or more countries who engage in regional cooperation in accordance with Article 20(1);
25. « Representative » or « Representative of a Member »: physical person, designated by a Member in writing, who attends the Assembly and exercises the rights of the Member represented;
26. « Secretary-General »: physical person appointed by the Assembly to manage and represent the Association on a daily basis and to supervise the Secretariat;
27. « Secretariat »: body of the Association which assists and provides support to the other bodies of the Association;
28. « Transparency Register »: a register which is kept by the Secretariat at the registered office of the Association in accordance with Article 48 of the Internal Regulations;
29. « TSO » or « Transmission System Operator »: operator of an electricity transmission system as defined in the Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC;
30. « Vice-Chairperson of a Committee »: physical person who has been appointed by a Committee as the vice-Chairperson of the Committee concerned;
31. « Vice-Chairperson of the Board »: physical person who has been appointed by the Board as the vice-Chairperson of the Board;
32. « Vice-Chairperson of the Legal and Regulatory Group »: physical person who has been appointed by the Legal and Regulatory Group as the vice-Chairperson of the Legal and Regulatory Group;
33. « Vice-President » or « Vice-President of the Association »: physical person who has been appointed by the Assembly among the Representatives of the Members of the Association as the vice-President of the Assembly.

## **Article 2. : Name of the Association**

1. The name of the Association is “European Network of Transmission System Operators for Electricity”, abbreviated “ENTSO-E”.
2. The Association is governed by the provisions of title III of the Belgian Law dated June 27, 1921 granting legal personality to non-profit associations, international non-profit associations and foundations.

3. All documents of the Association issued to third parties, in particular invoices, deeds, announcements and publications, shall include the name of the Association preceded or followed by the words “Internationale Vereniging zonder Winstoogmerk”, abbreviated as “IVZW”, or “Association Internationale Sans But Lucratif”, abbreviated as “AISBL”, as well as the address of its registered office.

### **Article 3. : Registered Office of the Association**

1. The registered office is established in 1000 Brussels, avenue de Cortenbergh 100.
2. The registered office of the Association may be transferred to any other place in Belgium by a decision of the Assembly which shall be published in the Annexes to the Belgian Official Gazette.

### **Article 4. : Purpose of the Association**

1. The Association shall, on a non-profit-making basis, pursue the co-operation of the European TSOs both on the pan-European and regional level. It promotes the TSOs' interests and has an active and important role in the European rule setting process in compliance with EU legislation.

Its objective is to promote the reliable operation, optimal management and sound technical evolution of the European electricity transmission system in order to ensure security of supply and to meet the needs of the IEM.

2. The Association may undertake any activity, which, directly or indirectly, enables it to achieve the above-mentioned purposes. The activities of the Association shall thus include for example:
  - a) coordinating the development of an economic, secure and environmentally sustainable transmission system. The emphasis lies in the coordination of cross border investments and meeting the European security and quality of supply requirements, while the implementation of investments lies with the TSOs;
  - b) developing network codes for the interoperability and coordination of system operation in order to maintain the reliability of the transmission system and to use the existing resources efficiently;
  - c) developing market related network codes in order to ensure non-discriminatory access to the transmission system and to facilitate consistent European electricity market integration;
  - d) monitoring and, where applicable, enforcing the compliance of the implementation of the network codes;
  - e) monitoring network development;
  - f) promoting R&D activities relevant for the TSO industry;
  - g) promoting public acceptability of transmission infrastructure;
  - h) taking positions on issues that can have an impact on the development and operation of the transmission system or market facilitation;

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- i) enhancing communication and consultation with stakeholders and transparency of TSO operations; and
  - j) performing other tasks of relevance to the Association.

The Members of the Association can enter into multilateral agreements to formalise and enhance their cooperation in specific areas. The Association can act as a facilitator in the establishment of such agreements and in the monitoring and arbitration of their implementation.

Rule-setting and other activities of the Association shall be carried out in close consultation with stakeholders. The Association shall continuously exchange views with stakeholders on issues related to power system planning, operation and market facilitation.

#### **Article 5. : Duration of the Association**

1. The Association is established for an indefinite period.
2. In the event of resignation, exclusion or any other event affecting any Member of the Association, the Association shall continue to exist provided it has a minimum of two Members.

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## **CHAPTER II: Members, Associated Members and Observer Members of the Association**

### **Article 6. : Founding Members of the Association**

The Association has been established by the Founding Members. The Founding Members are legal persons constituted under the laws of their country of origin.

### **Article 7. : Admission of New Members**

1. Without prejudice to legal rules applicable to the candidate, the Assembly may decide to admit new Members, subject to the following minimum requirements:
  - a) the candidate is a legal person constituted under the laws of its country of origin;
  - b) the candidate is designated as a TSO according to any Regulation or Directive in force concerning common rules for the IEM;
  - c) the candidate is solely responsible for frequency control (frequency containment reserve (FCR) and frequency restoration reserve (FRR)) and for maintaining the power interchange at the scheduled value within a given area ("Control Area") which is located within the European Union or in a country that has entered into an agreement with the European Union governing its relationship with the IEM;
  - d) the candidate belongs to a country or Control Area relevant to the IEM in terms of market conditions and/or in terms of the physical reality of its transmission interconnections;
  - e) the candidate disposes of or has access to the financial means needed to fulfil the obligations which directly or indirectly arise from its membership of the Association; and
  - f) the candidate complies with the technical criteria and standards of the synchronous area to which it is or will be connected, in order to safeguard the stability and quality of operations of that synchronous area.
  
2. Where the legal identity of a Member changes as a result of a merger or in the case of a transfer of its responsibilities as TSO, the related Membership shall be held or transferred accordingly, subject to approval by the Assembly. In order to allow the Assembly to review the request of the affected Member to hold or transfer its Membership, such cases shall be notified by the affected Member to the President in due time. Membership shall only be held or transferred once the Assembly approves the request by a simple majority as defined in Article 15(7). This approval shall not be unreasonably withheld.

### **Article 8. : Change of control of a Member**

In order to allow the Assembly to examine the possible consequences of a change of control (in the meaning of EC Council Regulation (EC) N°139/2004 of 20 January 2004 on the control of concentrations between undertakings (the "EC Merger Regulation")) of a Member, such change of control shall be notified by the affected Member to the President in due time.

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## Article 9. : Associated Members

1. Without prejudice to legal rules applicable to the candidate, the Assembly may decide to admit Associated Members, subject to the following minimum requirements:
  - a) the candidate is a legal person constituted under the laws of its country of origin;
  - b) the candidate is solely responsible for frequency control (frequency containment reserve (FCR) and frequency restoration reserve (FRR)) and for maintaining the power interchange at the scheduled value within a given area (“Control Area”) which is located within the European Union or in a country that has entered into an agreement with the European Union governing its relationship with the IEM and including at least either adherence to the IEM related *acquis communautaire* or a formal expression and evidence of the commitment to adhere to it in the near future;
  - c) the candidate belongs to a country or Control Area relevant to the IEM in terms of market conditions and/or in terms of the physical reality of its transmission interconnections;
  - d) the candidate demonstrates its concrete intention to comply with the relevant technical and market rules relevant for the IEM;
  - e) the candidate demonstrates that it is unbundled from all activities related to generation or supply of electricity under Article 9 of the Directive 2009/72/EC or similar provisions in the laws of its country of origin; and
  - f) the candidate disposes of or has access to the financial means needed to fulfil the obligations which directly or indirectly arise from its status as an Associated Member.

The status of Associated Member shall be granted for a period of three years. An Associated Member may apply to renew its respective status under the same conditions.

2. An Associated Member only has the rights and obligations mentioned in the Articles of Association, in the Internal Regulations and in the decision of the Assembly granting its status of Associated Member.

An Associated Member may be provided with information and publications of the bodies to which it has been invited to appoint a representative.

## Article 10. : Observer Members

1. Without prejudice to legal rules applicable to the candidate, the Assembly may decide to admit Observer Members, subject to the following minimum requirements:
  - a) the candidate is a legal person constituted under the laws of its country of origin;
  - b) the candidate is designated as a transmission system operator in accordance with the laws of its country of origin;
  - c) the candidate demonstrates that it is unbundled from all activities related to generation or supply of electricity under Article 9 of the Directive 2009/72/EC or similar provisions in the laws of its country of origin;
  - d) the candidate is located in a country with a physical link relevant for the IEM in terms of market conditions and/or in terms of the physical reality of its transmission interconnections; and
  - e) the candidate has entered into an Observer Membership agreement.

An application by a candidate designated as a TSO in compliance with Regulation (EC) N°714/2009 and/or Directive 2009/72/EC shall be considered positively by the Assembly in light of Article 4 of Regulation (EC) N°714/2009 even if the TSO does not comply with the technical criteria and standards of the relevant synchronous area.

The status of Observer Member shall be granted for a period of three years. An Observer Member may apply to renew its respective status under the same conditions.

2. An Observer Member only has the rights and obligations mentioned in the Articles of Association, in the Internal Regulations and in the Observer Membership agreement.

An Observer Member may be provided with information and publications of the working groups, regional groups, expert groups, ad-hoc groups and task forces to which it has been invited to appoint a representative.

#### **Article 11. : Resignation of Members, Associated Members and Observer Members**

1. Without prejudice to legal rules applicable to them, Members, Associated Members and Observer Members have the right to resign from the Association provided that they give six months prior written notice to the President.
2. During the notice period, the resigning Member, Associated Member or Observer Member shall seek agreement with the Board as to the process and effect of its resignation, in accordance with the Internal Regulations.
3. Notwithstanding their resignation, resigning Members, Associated Members or Observer Members shall remain liable for all unpaid fees.

#### **Article 12. : Suspension of participation and/or voting rights - Exclusion of Members, Associated Members and Observer Members**

1. Without prejudice to legal rules applicable to Members, Associated Members or Observer Members, the Assembly may:
  - a) suspend, for a period of time and under the conditions it determines, in whole or in part the participation rights, including the voting rights, of a Member's representative, as well as the participation rights of an Associated Member's or Observer Member's representative in, as the case may be, the Legal and Regulatory Group, the Regional Groups, the working groups, the Committees and/or the tasks forces; and/or
  - b) suspend, for a period of time and under the conditions it determines, in whole or in part the voting rights of a Member in the Assembly; or
  - c) exclude a Member, an Associated Member or an Observer Member from the Association, on material default grounds including, but not limited to, bankruptcy, liquidation or receivership, non-payment or untimely payment of Membership contributions or fees due as Associated Member or Observer Member or material infringement of the Articles of Association, of the Internal Regulations or of the network codes adopted by a Committee in accordance with Article 18(5).

If the suspension of the participation and/or voting rights or the exclusion of a Member, an Associated Member or an Observer Member is envisaged, the Member, the Associated Member and the Observer Member respectively shall have the opportunity of defending itself in front of the Assembly.

Details of the suspension and the exclusion procedure are set forth in the Internal Regulations.

2. The Assembly shall decide to suspend the participation and/or voting rights of the representative of a Member or to exclude that Member, all in accordance with the provisions of Article 12(1), in case
  - a) a Member is refused the designation as a TSO in compliance with Regulation (EC) N°714/2009 and/or Directive 2009/72/EC and/or any treaty or agreement between the EU and the non EU Member State relating to the aforementioned Regulation (EC) N°714/2009 and/or Directive 2009/72/EC, by the competent national or European regulatory authorities in the state in which it operates, without further possibility to appeal this decision, or
  - b) a certification already granted to a designated TSO is withdrawn or annulled by the competent national or European regulatory authorities, without further possibility to appeal this decision.
  
3. If a state in which a Member operates is either under no legal obligation to apply, or is materially delayed in its implementation of Regulation (EC) N°714/2009 and/or Directive 2009/72/EC and/or any treaty or agreement between the EU and the non EU Member State relating to the aforementioned Regulation (EC) N°714/2009 and/or Directive 2009/72/EC, including the implementation of the TSO's certification process, the Assembly shall, following an opinion of the European Commission, decide to suspend the participation and/or voting rights of that Member's representative or of that Member, or to exclude that Member, all in accordance with the provisions of Article 12(1).

If there is an implementation deadline or a date of entry into force in the relevant directive, regulation, decision, treaty or agreement between the EU and the non EU Member State, it shall be one of the elements taken into account to assess whether a state is materially delayed in its implementation of Regulation (EC) N°714/2009 and/or Directive 2009/72/EC and/or any treaty or agreement between the EU and the non EU Member State relating to the aforementioned Regulation (EC) N°714/2009 and/or Directive 2009/72/EC.

### **Article 13. : Compliance with rules issued by the Association**

Each Member undertakes to comply with the rules issued by the bodies of the Association in accordance with the Articles of Association and with the Internal Regulations, (i) except for rules issued by Regional Groups and approved by the Assembly, insofar as such Member does not belong to the Regional Group to which such rules are intended to apply and (ii) provided the rules do not conflict with mandatory national laws applicable to that Member.

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## CHAPTER III: Bodies of the Association

### Article 14. : Bodies of the Association

The bodies of the Association are:

- a) the Assembly;
- b) the Board;
- c) the Committees;
- d) the Legal and Regulatory Group;
- e) the Regional Groups;
- f) the Secretariat.

The Association also acknowledges the Voluntary Regional Groups and the nomination advisory committee in accordance with, respectively, Article 20(2) of the Articles of Association and Article 17 of the Internal Regulations. The Association also acknowledges the Expert Groups.

The bodies of the Association interrelate as explained in Articles 15 to 20 inclusive.

### Article 15. : The Assembly

1. The Members of the Association shall constitute the Assembly.
2. The Assembly is the general leading body of the Association, and has full powers to enable the achievement of the Association's purpose. All powers not specifically attributed to the other bodies of the Association, belong to the Assembly.

In particular, the Assembly is responsible for, without being limited to:

- a) the status as Member, Associated Member or Observer Member: admission, definition of rights and duties of Associated Member or Observer Member, including for the Observer member the approval of Observer Membership agreement upon proposal of the Board, acknowledgement of resignation, suspension of participation and/or voting rights or exclusion of Members, Associated Members and Observer Members;
- b) the amendment of the Articles of Association or of the Internal Regulations;
- c) the appointment and dismissal of the President and the Vice-President;
- d) the appointment and dismissal of the Chairpersons of each of the Committees and of the Legal and Regulatory Group,
- e) the appointment and dismissal of the members of the Board and, more precisely, of (i) the Chairperson of the Board and (ii) the other members of the Board;
- f) the appointment and dismissal of the Secretary-General;
- g) the appointment and dismissal of the statutory auditors, if any, and the determination of their remuneration;
- h) the granting of discharge to the members of the Board and, the case being, to the statutory auditors;
- i) the adoption of an annual work programme, on the proposal of the Board;
- j) the adoption of the general strategy of the Association;

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- k) the approval of the budget and of the annual accounts of the Association;
  - l) the establishment of Regional Groups;
  - m) the establishment and dissolution of Committees;
  - n) the adoption of decisions on matters submitted to the Assembly by the Board as provided for in Article 16(6) or by the Committees as provided for in Article 18(5);
  - o) the delegation of the adoption of decisions on specific issues or in circumstances precisely defined to the Board and/or the Committees;
  - p) the adoption and amendment of key policy issues papers (KPIP) regarding the network codes (NC) and the ten year network development plan (TYNDP);
  - q) the dissolution of the Association;
  - r) the final resolution on any Committee and Legal and Regulatory Group decision or any Board decision which qualifies as a Major Transmission System Matter and which has been escalated to the Assembly in accordance with the Internal Regulations.

The power entrusted to the Assembly to decide on any Committee or Legal and Regulatory Group decision or any Board decision which allegedly qualifies as a Major Transmission System Matter as stipulated in Article 15(2)(r) shall be reconsidered during the Annual Assembly meeting of 2016.

Each Member shall work towards the implementation of the decisions of the Association within the timeframe decided by the Assembly.

3. Each Member shall appoint in writing and notify to the President a Representative to attend Assembly meetings who is authorised to exercise that Member's rights. However, if a Member's Representative is unable to attend an Assembly meeting, that Member may be represented by a substitute Representative, to the extent that the name of the substitute Representative has been notified in writing to the President. A Member is also allowed to give a proxy to a Representative of another Member of the Association. Each Representative can only represent a maximum of three other Representatives. Notice of proxies shall be given in writing to the President before the Assembly meeting.
4. All members of the Board as well as the Secretary-General, the Chairpersons of each of the Committees and of the Legal and Regulatory Group, and, if applicable, the statutory auditors shall be invited to attend Assembly meetings but shall not have any voting power.

Members may send one additional representative, who shall not have any voting power, to attend Assembly meetings, in accordance with the provisions of the Internal Regulations.

Without prejudice to this Article 15(4), the President may invite other interested persons to attend the meetings of the Assembly, but such persons shall not have any voting power.

Associated Members shall have the right to attend Assembly meetings but shall have no voting power. Observer Members shall have no right to attend Assembly meetings.

5. An Annual Assembly meeting shall be held in the second quarter of each calendar year, the date and place to be decided by the President. Notice of the date of the Annual Assembly meeting shall be given at least one month prior to the date of the meeting.

An Assembly meeting shall also be held:

- a) whenever requested by the President or the Chairperson of the Board;
- b) when requested by Member(s) representing at least twenty per cent of the total population as mentioned in Table 1 of Article 15(6), or by a group of three Members from at least three different countries. Such meeting shall be held within 2 months of the receipt of the request; and
- c) as a result of Article 16(9), in which case the Assembly meeting may be assisted by a mediation advisory committee, in accordance with the Internal Regulations.

The President shall notify the Members of the requested Assembly. Notices shall:

- a) specify time and place of the meeting (which shall be Brussels, unless indicated otherwise in the notice);
- b) include an agenda, and where deemed appropriate by the President, include a proposal for decision for each item of the agenda submitted for decision;
- c) be delivered to each Member by e-mail, at least three weeks before the meeting unless the President considers that, due to a specific time constraint, shorter advance notices are needed. In this case, the President shall have the possibility to deliver the notices to each Member by e-mail, at least two weeks before the meeting.

An Assembly meeting shall be held physically or by written voting procedure in accordance with the Internal Regulations. In case of an Assembly meeting being held physically, the Members have to confirm their presence at the Assembly at the latest one week or, in the event of a notice being sent less than three weeks before the Assembly, at the latest the third Business Day before the Assembly meeting.

The deliberations and decisions of the Assembly meeting shall be recorded by the Secretary-General and these minutes shall be signed by the Secretary-General, the President, and the Representatives that request so. If the Secretary-General is absent, the Assembly shall designate among those present a person to record the deliberations and sign these minutes together with the President. The minutes of the Assembly shall be kept at the registered office. Excerpts shall be signed by the President or the Secretary-General.

6. The Members of a given country shall collectively be attributed a voting power proportionate to the number of votes that that country has as a EU Member State in the Council of the European Union under the voting mechanism defined by the Lisbon Treaty. For countries that are not EU Member State, the voting power shall be defined according to the same mechanism (as if these countries were EU Member States).

In the case of the admission of new Members or the resignation or exclusion of Members resulting in a change to the list of countries, the Assembly shall amend Table 1 hereunder by applying the same principles that have been applied to determine the voting powers mentioned in Table 1.

In doing so, the Assembly shall ensure that the total sum of the voting rights of Members from countries that are not EU Members States shall not exceed 28% of the First Part of the Voting Power and/or 35% of the Second Part of the Voting Power, as set out in Table 1. In case the

total sum of the voting rights of the Members from countries that are not EU Member States exceeds one or both of these thresholds, the voting rights of those Members shall be reduced proportionately to avoid that one or both of those thresholds are exceeded.

The Second Part of the Voting Power shall be reviewed annually, as of the date of the publication in the Official Journal of the European Union of the figures of the total population of each Member State. With regard to the Members of countries that are not EU Member States, the figures mentioned in the Statistical Papers of the United Nations (<http://unstats.un.org/unsd/demographic/products/vitstats/serATab2.pdf>) shall be used to adapt annually this Second Part of the Voting Power. The Secretariat is explicitly mandated to adapt one time per year the Second Part of the Voting Power as mentioned in Table 1, without any further decision of the Assembly being needed.

The distribution of the voting power of a given country amongst the Members of that country, has been made by mutual agreement between those Members, as set out in Table 1 hereunder.

Table 1. Voting power of the Members of the Association

Country	Member	First Part of the Voting Power ('one country, one vote' principle)	Second Part of the Voting Power (population of the country)
Austria	APG - Austrian Power Grid AG	10	8.079,3
	VUEN-Vorarlberger Übertragungsnetz GmbH	2	372,6
Belgium	Elia - Elia System Operator SA	12	11.161,6
Bosnia Herzegovina	NOS BiH - Nezavisni operator sustava u Bosni I Hercegovini	12	4.377,0
Bulgaria	ESO – Electroenergien Sistemen Operator EAD	12	7.284,6
Croatia	HOPS - Croatian Transmission System Operator Ltd	12	4.262,1
Cyprus	Cyprus TSO - Cyprus Transmission System Operator	12	865,9
Czech Republic	ČEPS - ČEPS, a.s.	12	10.516,1
Denmark	Energinet.dk IPC - Energinet.dk Independent Power Entrepise	12	5.602,6
Estonia	Elering - Elering AS	12	1.324,8
Finland	Fingrid - Fingrid OyJ	12	5.426,7
France	RTE - Réseau de Transport d'electricité	12	65.633,2
Germany	Amprion - Amprion GmbH	3	29.008,56
	TenneT GER – Tennet TSO GmbH	3	24.113,20

	TransnetBW -TransnetBW GmbH	3	9.762,58
	50Hertz - 50Hertz Transmission GmbH	3	17.639,36
Greece	IPTO SA - Independent Power Transmission Operator S.A.	12	11.062,5
Hungary	MAVIR ZRt. - MAVIR Magyar Villamosenergia-ipari Rendszerirányító Zártkörűen Működő Részvénytársaság	12	9.908,8
Iceland	Landsnet – Landsnet hf	12	281,1
Ireland	Eirgrid - EirGrid plc	12	4.591,1
Italy	Terna - Terna, Rete Elettrica Nazionale SpA	12	59.685,2
Latvia	Augstsprieguma tīkls - AS Augstsprieguma tīkls	12	2.023,8
Lithuania	LITGRID - LITGRID AB	12	2.971,9
Luxembourg	CREOS Luxembourg - CREOS Luxembourg S.A.	12	537,0
Montenegro	CGES AD - Crnogorski elektroprenosni sistem AD	12	620,0
Netherlands	TenneT TSO - TenneT TSO B.V.	12	16.779,6
Norway	Statnett - Statnett SF	12	4.979,9
Poland	PSE - PSE S.A.	12	38.533,3
Portugal	REN - Rede Eléctrica Nacional, S.A.	12	10.487,3
Romania	Transelectrica - C.N. Transelectrica S.A.	12	20.057,5
Serbia	EMS - JP Elektromreža Srbije	12	7.186,8
Slovak Republic	SEPS - Slovenská elektrizačná prenosová sústava, a.s.	12	5.410,8
Slovenia	ELES - ELES, d.o.o., sistemski operater prenosnega elektroenergetskega omrežja	12	2.058,8
Spain	REE - Red Eléctrica de España S.A.	12	46.704,3
Sweden	Svenska Kraftnät - Affärsverket Svenska Kraftnät	12	9.555,9
Switzerland	Swissgrid - Swissgrid AG	12	7.288,0
the former Yugoslav Republic of Macedonia	MEPSO - Macedonian Transmission System Operator AD	12	2.022,5
United Kingdom	National Grid - National Grid Electricity Transmission plc	9	56.605,1
	SONI – System Operator for Northern Ireland ltd	1	1.781,2
	SHE Transmission - Scottish Hydro Electric Transmission plc	1	1.362,1
	SP Transmission – Scottish Power Transmission plc	1	3.981,7

TOTAL		408	531.906,4
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Each Representative of a Member shall exercise the number of votes attributable to the Member he represents in accordance with this Article 15.

In the event that the Secretariat or the Assembly changes the attribution of the voting power of countries as mentioned in Table 1, the Members of the countries affected, are obliged to amend their internal distribution of the voting powers as mentioned in Table 1 accordingly, it being understood that for the attribution of the First Part of the Voting Power only round figures (without decimals) can be used. Any change in the internal distribution of the voting power within the country shall be approved by the unanimous agreement of the Members of that country. This unanimous agreement, signed by all Members of the country concerned, shall be notified to the President not later than three weeks after the adoption by the Assembly or the Secretariat of the decision to change the attribution of the voting powers.

If no valid notification concerning the redistribution of voting power has been made within the aforementioned timing, the President shall act as an arbitrator and shall, after having heard all Members of the country concerned, propose to the Assembly a final and binding decision concerning the redistribution of voting power.

7. The Assembly meeting shall only be quorate when the Members attending or represented at the Assembly represent at least 55% of the First Part of the Voting Power and 65% of the Second Part of the Voting Power (both as specified in Article 15(6)). In case this attendance quorum is not met, the President shall call a second meeting for which no attendance quorum shall apply.

The Assembly shall aim to achieve unanimity of all voting power present or represented for all decisions to be taken. When no such unanimity can be reached, a decision of the Assembly shall be adopted:

- a) by a simple majority for all decisions:
  - (i) except those for which a special majority is needed in accordance with these Articles of Association; and
  - (ii) except for the appointment of (a) the President and the Vice-President, (b) the Chairpersons of each of the Committees and of the Legal and Regulatory Group and (c) the Chairperson and the other members of the Board for which specific voting rules are specified in the Internal Regulations.
- b) by a special majority for:
  - (i) any amendments to the Articles of Association and to the Internal Regulations;
  - (ii) the dissolution of the Association;
  - (iii) the adoption of the key policy issues papers (KPIP) regarding the network codes (NC) and the ten year network development plan (TYNDP);
  - (iv) any decision of a Committee or of the Legal and Regulatory Group or any decision of the Board which qualifies as a Major Transmission System Matter and which has been escalated to the Assembly in accordance with the Internal Regulations.

A simple majority requires the approval by Members representing at least 55% of the First Part of the Voting Power attending or represented at the Assembly and 65% of the Second

Part of the Voting Power attending or represented at the Assembly (both as specified in Article 15(6)).

A special majority requires the approval by Members representing at least 72% of the First Part of the Voting Power attending or represented at the Assembly and 65% of the Second Part of the Voting Power attending or represented at the Assembly (both as specified in Article 15(6)).

Both in case of a simple and special majority, a proposal can only be validly rejected if the blocking minority is supported by all the Members of at least four countries.

Both in case of a simple and special majority, an abstention shall not be taken into account when calculating the majorities concerned.

The attribution of voting power and the majorities needed for valid decisions shall be reconsidered, taking into account the possible legislative developments within the EU, during the Annual Assembly of 2017.

8. The President, and, in his absence, the Vice-President, shall chair the meetings of the Assembly. If both are absent, the Assembly shall designate among those present a Representative to chair the meeting.
9. The Assembly shall appoint the President and the Vice-President for a term of two years.

In the event that the interest of the Association requires it, the President and Vice-President may be reappointed for one more term of two years (with a limitation to two successive mandates).

The President and the Vice-President may be dismissed at any time by the Assembly.

The President and/or the Vice-President may resign by notifying his decision to the Assembly. The resigning (Vice-)President shall remain in office until the next Assembly meeting, where a replacement shall be appointed. This replacement shall assume the functions of the resigning (Vice-)President until the expiry of the term of office of the outgoing person.

In case the remaining term of office of the outgoing (Vice-)President exceeds one year, this replacement shall, for the application of Article 15(9), second paragraph, be considered to have been appointed for a term of two years.

In case of resignation of the (Vice-)President, the process of finding a replacement for the resigning (Vice-)President shall be initiated immediately after receipt of the notice of resignation, taking into account that an Assembly meeting should be called within four months.

The (Vice-)President shall be considered to have resigned with immediate effect in case he ceases to be an Employee of a Member. In case of resignation with immediate effect, the functions of the resigning (Vice-)President shall be assumed by, as the case may be, the

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President or the Vice-President still in function, until the Assembly appoints a replacement in accordance with Article 15(9).

10. The Secretariat shall notify all Members of decisions of the Assembly within one week of the meeting by sending a copy of the minutes.

## **Article 16. : The Board**

1. The Board consists of maximum twelve members, being the Chairperson of the Board as well as maximum eleven other members.

The members of the Board are appointed by the Assembly for a term of two years.

In the event that the interest of the Association requires it, the members of the Board may be reappointed for one more term of two years (with a limitation to two successive mandates) with the overall obligation of having at least one third of new Board members at each new term of two years.

The members of the Board may be dismissed at any time by the Assembly.

A member of the Board may resign by notifying his decision to the Assembly. The resigning member of the Board shall remain in office until the next Assembly meeting, where a replacement shall be appointed. This replacement shall assume the functions of the resigning member of the Board until the expiry of the term of office of the outgoing member of the Board.

In case the remaining term of office of the outgoing member of the Board exceeds one year, this replacement shall, for the application of Article 16(1), third paragraph, be considered to have been appointed for a term of two years.

In case of resignation of a member of the Board, the process of finding a replacement for the resigning member of the Board shall be initiated immediately after receipt of the notice of resignation, taking into account that an Assembly meeting should be called within four months.

A member of the Board shall be considered to have resigned with immediate effect in case he ceases to be an Employee in the top management of a Member.

2. The Chairperson of the Board is appointed by the Assembly for a term of two years.

In the event that the interest of the Association requires it, the Chairperson may be reappointed for one more term of two years (with a limitation to two successive mandates).

The Chairperson may be dismissed at any time by the Assembly.

The Chairperson may resign by notifying his decision to the Assembly. The resigning Chairperson shall remain in office until the next Assembly meeting, where a replacement shall be appointed. This replacement shall assume the functions of the resigning Chairperson until the expiry of the term of office of the outgoing Chairperson.

In case the remaining term of office of the outgoing Chairperson exceeds one year, this replacement shall, for the application of Article 16(2), second paragraph, be considered to have been appointed for a term of two years.

In case of resignation of the Chairperson, the process of finding a replacement for the resigning Chairperson shall be initiated immediately after receipt of the notice of resignation, taking into account that an Assembly meeting should be called within four months.

The Chairperson shall be considered to have resigned with immediate effect in case he ceases to be an Employee in the top management of a Member. In case of resignation with immediate effect of the Chairperson, the functions of the resigning Chairperson shall be assumed by the Vice-Chairperson, until the Assembly appoints a replacement in accordance with Article 16(2).

3. The Vice-Chairperson of the Board shall be appointed by the Board amongst the candidates proposed by the members of the Board for a term of two years.

In the event that the interest of the Association requires it, the Vice-Chairperson may be reappointed for one more term of two years (with a limitation to two successive mandates).

The Vice-Chairperson may be dismissed at any time by the Board.

The Vice-Chairperson may resign by notifying his decision to the Chairperson of the Board. The resigning Vice-Chairperson shall remain in office until the next Board meeting, where a decision on replacement shall be taken. This replacement shall assume the functions of the resigning Vice-Chairperson until the expiry of the term of office of the outgoing Vice-Chairperson.

In case the remaining term of office of the outgoing Vice-Chairperson exceeds one year, this replacement shall, for the application of Article 16(3), second paragraph, be considered to have been appointed for a term of two years.

In case of resignation of the Vice-Chairperson, a Board meeting should be called within four months.

The Vice-Chairperson shall be considered to have resigned with immediate effect in case he ceases to be an Employee in the top management of a Member. In case of resignation with immediate effect of the Vice-Chairperson, the functions of the resigning Vice-Chairperson shall be assumed by a Board member designated by the Chairperson, until the Board appoints a replacement in accordance with Article 16(3).

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4. The Chairperson or, in his absence, the Vice-Chairperson of the Board shall chair the meetings of the Board. If both the Chairperson and the Vice-Chairperson of the Board are absent, the Board shall designate among those present a member of the Board to chair the meeting.
  5. The Chairperson and the Vice-Chairperson of the Board may invite external persons to attend the meetings of the Board for specific issues, but such persons shall not have any voting power.

The President, the Vice-President, the Chairpersons of each of the Committees and of the Legal and Regulatory Group and the Secretary-General are entitled to attend the meetings of the Board without a voting power. Additionally, if the Chairperson of a Committee or of the Legal and Regulatory Group is unable to attend a meeting of the Board, the Vice-Chairperson of the Committee concerned or of the Legal and Regulatory Group is entitled to attend the meeting of the Board without a voting power.

6. The Board shall be entrusted with the following powers:
  - a) adoption of position papers, within the framework of the general strategy of the Association adopted by the Assembly on the basis of a proposal prepared upon request from the Board or on its (their) own initiative by one or more Committee(s) or an ad-hoc group whose members are appointed by one or more Committee(s);
  - b) coordination of the work of and between the Committees and the Legal and Regulatory Group;
  - c) appointment and dismissal of the Vice-Chairperson of the Board;
  - d) preparation of the agenda for Assembly meetings;
  - e) drafting of proposals regarding the annual work programmes to the Assembly, implementation of the annual work programmes as adopted by the Assembly and delegation of part of it to the relevant Committees;
  - f) preparation and approval of the annual report;
  - g) issuance of a recommendation to the Assembly on any application for the status of Associated Member;
  - h) drafting of proposals regarding Observer Membership agreements to the Assembly;
  - i) follow-up and execution of decisions of the Assembly;
  - j) co-ordination of the overall representation of the Association;
  - k) supervision of the Secretary General;
  - l) decision on issues delegated by the Assembly to the Board;
  - m) delegation of power on specific decisions and circumstances to the Committees;
  - n) establishment and dissolution on its own initiative or upon proposal of the Secretary General of an Expert Group and of its corresponding Terms of Reference, which shall include:
    - i) the obligation, when selecting the members of the Expert Group, to take into account the expertise of the candidate, a fair regional representation and a balance between members;
    - ii) the obligation to make available to all Association bodies the minutes of its meeting within an appropriate time frame;
    - iii) the obligation to regularly report on its activities and decisions to the Board and involved Committees or Legal and Regulatory Group; and

- iv) when these powers are deemed necessary, the delegation of the adoption of implementing decision on specific issues or in circumstances precisely defined. The implementing decisions shall be reviewable by the Board;
- o) decision on internal audit, audit reports and related action plans concerning internal audit activities, on the proposal of the resources committee described in the Internal Regulations;
- p) decision upon all power entrusted to the Board in the Articles of Association and the Internal Regulations;
- q) decision on any Committee and Legal and Regulatory Group decision which allegedly raises a Cross Committee Implication Concern and which has been escalated to the Board in accordance with the Internal Regulations.

The power entrusted to the Board to decide on any Committee or Legal and Regulatory Group decision which allegedly raises a Cross Committee Implication Concern as stipulated in Article 16(6)(q) shall be reconsidered during the Annual Assembly meeting of 2016.

7. A Board meeting shall be held physically or by written voting procedure in accordance with the Internal Regulations.
8. The Board shall be convened by the Chairperson of the Board each time the interests of the Association requires it. In addition, at least two Board members may require that the Board convenes, and may determine the agenda of such meeting, or, if such meeting has already been convened, may require other items to be added to the agenda of such meeting.

Notice of a meeting shall be given to the members of the Board by e-mail at least one week before the meeting.

The notice of a meeting shall specify time and place of the meeting (which shall be Brussels, unless exceptional circumstances indicated in the notice), include the agenda and shall, where deemed appropriate by the Chairperson of the Board, for each item of the agenda submitted for decision, include a written proposal of decision.

The Secretary-General shall assist the Chairperson of the Board at the meeting and shall record the minutes of the meeting of the Board. If the Secretary-General is absent, this task shall be performed by a person appointed by the Secretary-General, or, if no such person has been appointed, by a person appointed by the Chairperson of the Board.

A member of the Board is allowed to give a proxy to another member of the Board. However, no Board member can hold more than one proxy and a proxy may represent no more than one Board member.

9. The Board shall only be quorate when at least half of its members are present or represented.

The Board shall aim to achieve unanimity of all members of the Board present or represented for all the decisions to be taken. When no such unanimity can be reached, a decision of the Board shall be adopted by a simple majority of the members of the Board present or represented, which for the Board means more than half of the votes, or half including the casting vote..

Notwithstanding the above, if no unanimity is reached with respect to:

- a) a matter for which a Board member has invoked, at the latest during the deliberations on this matter, that it qualifies as a Major Transmission System Matter, the Board shall adopt a decision by majority of two thirds of the Board members present or represented, or
- b) decisions on issues delegated to the Board by the Assembly, the Chairperson of the Board shall request that the President calls an Assembly meeting in accordance with Article 15(5), to deliberate and decide upon the matter. Following such request, the President may decide that the Assembly meeting shall be preceded by one or more meeting(s) of a mediation advisory committee, in accordance with the Internal Regulations.

An abstention shall not be taken into account when calculating the majorities. In case of equality of votes, the Chairperson of the Board has a casting vote.

10. Decisions taken by the Board shall be notified via the extranet of the Association or via e-mail by the Secretariat to the Representatives of all the Members of the Association, to all the members of the Board and to the Chairpersons of each of the Committees and Legal and Regulatory Group, not later than two Business Days after the relevant meeting of the Board.
11. Any decision of the Board shall only become final if such decision has not been escalated to the Assembly in accordance with the Internal Regulations.
12. The minutes of the Board shall be kept at the registered office of the Association.

### **Article 17. : The Representation of the Association**

1. The President, the Vice-President, the Chairperson and the Vice-Chairperson of the Board as well as the Secretary-General are, each individually, entitled to represent the Association toward third parties. This includes the authority to pursue legal action both as claimants and defendants.
2. Actions related to the nomination, termination and suspension of functions of the persons having the power to represent the Association according to Article 17(1) are entrusted to the office of the Clerk of the commercial court and published, at the expense of the Association, in the annexes to the Belgian Official Gazette. These actions involve the surnames, names and address (or, in case of a legal person, the firm's official name, the legal form and the social address), and mention the extent of these persons' powers as well as the way of exercising them.

### **Article 18. : The Committees**

1. The following Committees are established:
  - a) a System Development Committee;
  - b) a System Operations Committee;
  - c) a Market Committee; and
  - d) a Research and Development Committee.

The Assembly shall have the right to establish and dissolve Committees. The decision to establish or dissolve a Committee shall be taken with a simple majority, without amendment of the Articles of Association.

The proposal to establish a new Committee shall be submitted to the Assembly, together with the proposed purpose and corresponding terms of reference of the Committee concerned, demonstrating the broad scope of activities, similar to the scope description of the current Committees in the Internal Regulations.

The proposal to dissolve an existing Committee shall be submitted to the Assembly, together with the motivation which should justify the proposed dissolution.

2. Each Member has the right to appoint one representative for every Committee. However, if a Member's representative is unable to attend a meeting of the Committee concerned, that Member may be represented by a substitute representative, to the extent that the name of the substitute representative has been notified in writing to the Chairperson of the Committee before the meeting. A Member is also allowed to give a proxy to the representative of another Member of the Association. Each representative can only represent a maximum of three other representatives. Notice of proxies shall be given in writing to the Chairperson of the Committee before the meeting.
3. An Associated Member shall have the right to attend Committee meetings if defined in the Assembly decision granting its status of Associated Members but shall have no voting power. An Observer Member shall have no right to attend Committee meetings.
4. The Chairperson of the Committee concerned, or in his absence, the Vice-Chairperson, shall chair the meetings of that Committee. If the Chairperson and the Vice-Chairperson are both absent, the Committee concerned shall designate among those present a Committee member to chair the meeting.

The Chairperson of the Committee concerned shall seek guidance from the Board on any issues which its Committee faces in delivering its mission, which constitutes a blocking point for the Committee or for which the strategy to be followed as defined by the Assembly and Board needs to be further clarified.

5. The Committees shall be entrusted with the following powers:
  - a) within their annual work programme and the tasks delegated by the Board or Assembly and within their approved budget:
    - (i) organise professional TSO co-operation;
    - (ii) take decisions on relevant operative issues;
    - (iii) co-ordinate regional activities of pan-European interest;
  - b) prepare positions and proposals for decision by the Board or the Assembly;
  - c) prepare upon request of the Board position paper proposals, within the framework of the general strategy of the Association as adopted by the Assembly, for adoption by the Board;
  - d) appoint the respective members of the ad-hoc groups entrusted by the Board to:
    - (i) prepare position paper proposals; and

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- (ii) circulate them to the relevant Committee(s) members in due time to allow the Secretariat, in coordination with the Committee Chair concerned, to inform the Board of any major concern raised by Committee Members;
  - e) take decisions delegated to the Committee concerned by the Board or the Assembly;
  - f) initiate and lead studies of common interest within the mandate given by the Board to the Committee concerned;
  - g) make proposals for pan-European harmonisation of the codes and rules;
  - h) adopt the network codes, the ten year network development plan, the common network operational tools, the research plans, the annual generation and network adequacy outlooks and other legally mandated deliverables in accordance with the Internal Regulations;
  - i) assess proposals and the terms of reference to establish Regional Groups;
  - j) coordinate the work of the Regional Groups with respect to pan-European interests, inter alia to appropriately contribute to the work of the regulatory/governmental regional initiatives. The decision whether a certain issue is of pan-European interest, is taken by the Committee under which a Regional Group is established. This coordination competence of a Committee includes the competence to suspend decisions of a Regional Group where the Committee that coordinates this Regional Group, judges that the Regional Group concerned has taken decisions which conflict with the pan-European interest.

The specific tasks and powers of the Committees can be detailed further in the Internal Regulations.

6. A Committee shall be convened by the Chairperson of the Committee concerned each time the interests of the Association require it. In addition, at least three representatives of at least three different countries may require that a Committee convenes, and may determine the agenda of such meeting, or, if such meeting has already been convened, may require other items to be added to the agenda of such meeting.

Notice of a meeting shall be given to the members of the Committee by e-mail at least one week before the meeting.

7. A Committee meeting shall be held physically or by written voting procedure in accordance with the Internal Regulations.
8. A Committee shall only be quorate when at least half of the representatives appointed to the Committee by the Members are present or represented.

Each Committee shall aim to achieve unanimity of all Committee members present or represented. When no such unanimity can be reached, a decision of the Committee shall be adopted by majority of two thirds of the Committee members present or represented.

An abstention shall not be taken into account when calculating the majorities.

9. Decisions taken by a Committee shall be notified via the extranet of the Association or via e-mail by the Secretariat to the Representatives of all Members of the Association, to all the members of the Board, to the Chairpersons of each of the other Committees and of the Legal

and Regulatory Group and to all the Members' representatives in the Committee concerned not later than two Business Days after the relevant meeting.

10. Any decision of a Committee shall only become final if such decision has not been escalated to the Assembly or to the Board in accordance with the Internal Regulations.
11. The minutes of the Committee shall be kept at the registered office of the Association.
12. The Chairpersons of the Committees shall be appointed by the Assembly for a term of two years. The Chairpersons of the Committees cannot be a member of the Board.

In the event that the interest of the Association requires it, the Chairpersons of the Committees may be reappointed for one more term of two years (with a limitation to two successive mandates).

The Chairperson of a Committee may be dismissed at any time by the Assembly.

The Chairperson of a Committee may resign by notifying his decision to the Assembly. The resigning Chairperson shall remain in office until the next Assembly meeting, where a replacement shall be appointed. This replacement shall assume the functions of the resigning Chairperson until the expiry of the term of office of the outgoing Chairperson.

In case the remaining term of office of the outgoing Chairperson exceeds one year, this replacement shall, for the application of Article 18(12), second paragraph, be considered to have been appointed for a term of two years.

In case of resignation of a Chairperson of a Committee, the process of finding a replacement for the resigning Chairperson shall be initiated immediately after receipt of the notice of resignation, taking into account that an Assembly meeting should be called within four months.

The Chairperson of a Committee shall be considered to have resigned with immediate effect in case he ceases to be an Employee holding a senior position in a Member. In case of resignation with immediate effect of the Chairperson of a Committee, the functions of the resigning Chairperson shall be assumed by the Vice-Chairperson of the Committee concerned, until the Assembly appoints a replacement in accordance with Article 18(12).

13. The Vice-Chairpersons of the Committees are appointed by the Committees concerned amongst the candidates proposed by the members of the Committees concerned for a term of two years.

In the event that the interest of the Association requires it, the Vice-Chairpersons of a Committee may be reappointed for one more term of two years (with a limitation to two successive mandates).

The Vice-Chairpersons of a Committee may be dismissed at any time by the Committee concerned.

The Vice-Chairperson of a Committee may resign by notifying his decision to the Chairperson of the Committee concerned. The resigning Vice-Chairperson shall remain in office until the next Committee meeting, where a decision on replacement shall be taken. This replacement shall assume the functions of the resigning Vice-Chairperson until the expiry of the term of office of the outgoing Vice-Chairperson.

In case the remaining term of office of the outgoing Vice-Chairperson exceeds one year, this replacement shall, for the application of Article 18(13), second paragraph, be considered to have been appointed for a term of two years.

In case of resignation of a Vice-Chairperson of a Committee, a meeting of the Committee concerned should be called within four months.

The Vice-Chairperson of a Committee shall be considered to have resigned with immediate effect in case he ceases to be an Employee of a Member. In case of resignation with immediate effect of the Vice-Chairperson of a Committee, the functions of the resigning Vice-Chairperson shall be assumed by a member of the Committee concerned designated by the Chairperson of the Committee concerned, until the Committee concerned appoints a replacement in accordance with Article 18(13).

14. The Committees can establish and dissolve functional, temporary advisory sub-committees, called "working groups". The composition and tasks of the working groups shall be defined by the Committee concerned, in accordance with the Internal Regulations.
15. Regional Groups can be established under each Committee in accordance with Article 20.

### **Article 19. : The Legal and Regulatory Group**

1. Each Member has the right to appoint one representative for the Legal and Regulatory Group. However, if a Member's representative is unable to attend a meeting of the Legal and Regulatory Group, that Member may be represented by a substitute representative, to the extent that the name of the substitute representative has been notified in writing to the Chairperson of the Legal and Regulatory Group before the meeting. A Member is also allowed to give a proxy to the representative of another Member of the Association. Each representative can only represent a maximum of three other representatives. Notice of proxies shall be given in writing to the Chairperson of the Legal and Regulatory Group before the meeting.
2. An Associated Member shall have the right to attend Legal and Regulatory Group meetings if defined in the Assembly decision granting its status of Associated Member but shall have no voting power. An Observer Member shall have no right to attend Legal and Regulatory Group meetings.
3. The Chairperson of the Legal and Regulatory Group, or in his absence, the Vice-Chairperson, shall chair the meetings. If the Chairperson and the Vice-Chairperson are both absent, the

Legal and Regulatory Group shall designate among those present a member to chair the meeting.

The Chairperson of the Legal and Regulatory Group concerned shall seek guidance from the Board on any issues which its Legal and Regulatory Group faces in delivering its mission, which constitutes a blocking point for the Legal and Regulatory Group or for which the strategy to be followed as defined by the Assembly and the Board needs to be further clarified.

4. The Legal and Regulatory Group shall be entrusted with the following powers:
  - a) advising, upon request or on its own initiative, the Assembly, the Board, the Committees and the Secretariat in legal issues as well as in the positioning of the Association in the evolution of the regulatory framework, including on issues which have an economic or regulatory impact on TSOs;
  - b) ensuring legal and regulatory compliance of the Association's activities.
5. The Legal and Regulatory Group shall be convened by the Chairperson of the Legal and Regulatory Group each time that the interests of the Association requires it. In addition, at least three representatives of at least three different countries may require that the Legal and Regulatory Group convenes and may determine the agenda of such meeting or, if such meeting has already been convened, may require other items to be added to the agenda of such meeting.

Notice of a meeting shall be given to the members of the Legal and Regulatory Group by e-mail at least one week before the meeting.

6. A meeting of the Legal and Regulatory Group shall be held physically or by written voting procedure in accordance with the Internal Regulations.
7. The Legal and Regulatory Group shall only be quorate when at least half of the representatives appointed to the Legal and Regulatory Group by the Members are present or represented.

The Legal and Regulatory Group shall aim to achieve unanimity of all Legal and Regulatory Group members present or represented. When no such unanimity can be reached, a decision of the Legal and Regulatory Group shall be adopted by majority of two thirds of the Legal and Regulatory Group members present or represented.

An abstention shall not be taken into account when calculating the majorities.

8. Decisions taken by the Legal and Regulatory Group shall be notified via the extranet of the Association or via e-mail by the Secretariat to the Representatives of all Members of the Association, to all the members of the Board, to the Chairpersons of each of the Committees and to all the Members' representatives in the Legal and Regulatory Group not later than two Business Days after the relevant meeting.
9. Any decision of the Legal and Regulatory Group shall only become final if such decision has not been escalated to the Assembly or to the Board in accordance with the Internal Regulations.

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10. The minutes of the Legal and Regulatory Group shall be kept at the registered office of the Association.
  11. The Chairperson of the Legal and Regulatory Group shall be appointed by the Assembly for a term of two years. The Chairperson of the Legal and Regulatory Group cannot be a member of the Board.

In the event that the interest of the Association requires it, the Chairperson of the Legal and Regulatory Group may be reappointed for one more term of two years (with a limitation to two successive mandates).

The Chairperson of the Legal and Regulatory Group may be dismissed at any time by the Assembly.

The Chairperson of the Legal and Regulatory Group may resign by notifying his decision to the Assembly. The resigning Chairperson shall remain in office until the next Assembly meeting, where a replacement shall be appointed. This replacement shall assume the functions of the resigning Chairperson until the expiry of the term of office of the outgoing Chairperson.

In case the remaining term of office of the outgoing Chairperson exceeds one year, this replacement shall, for the application of Article 19(11), second paragraph, be considered to have been appointed for a term of two years.

In case of resignation of the Chairperson of the Legal and Regulatory Group, the process of finding a replacement for the resigning Chairperson shall be initiated immediately after receipt of the notice of resignation, taking into account that an Assembly meeting should be called within four months.

The Chairperson of the Legal and Regulatory Group shall be considered to have resigned with immediate effect in case he ceases to be an Employee holding a senior position in a Member. In case of resignation with immediate effect of the Chairperson of the Legal and Regulatory Group, the functions of the resigning Chairperson shall be assumed by the Vice-Chairperson of the Legal and Regulatory Group, until the Assembly appoints a replacement in accordance with Article 19(11).

12. The Vice-Chairperson of the Legal and Regulatory Group is appointed by the Legal and Regulatory Group amongst the candidates proposed by the members of the Legal and Regulatory Group for a term of two years.

In the event that the interest of the Association requires it, the Vice-Chairperson of the Legal and Regulatory Group may be reappointed for one more term of two years (with a limitation to two successive mandates).

The Vice-Chairperson of the Legal and Regulatory Group may be dismissed at any time by the Legal and Regulatory Group.

The Vice-Chairperson of the Legal and Regulatory Group may resign by notifying his decision to the Chairperson of the Legal and Regulatory Group. The resigning Vice-Chairperson shall remain in office until the next meeting of the Legal and Regulatory Group, where a decision on a replacement shall be taken. This replacement shall assume the functions of the resigning Vice-Chairperson until the expiry of the term of office of the outgoing Vice-Chairperson.

In case the remaining term of office of the outgoing Vice-Chairperson exceeds one year, this replacement shall, for the application of Article 19(12), second paragraph, be considered to have been appointed for a term of two years.

In case of resignation of a Vice-Chairperson of the Legal and Regulatory Group, a meeting of the Legal and Regulatory Group should be called within four months.

13. The Vice-Chairperson of the Legal and Regulatory Group shall be considered to have resigned with immediate effect in case he ceases to be an Employee of a Member. In case of resignation with immediate effect of the Vice-Chairperson of the Legal and Regulatory Group, the functions of the resigning Vice-Chairperson shall be assumed by a member of the Legal and Regulatory Group designated by the Chairperson of the Legal and Regulatory Group, until the Legal and Regulatory Group appoints a replacement in accordance with Article 19(12).
14. The Legal and Regulatory Group can establish and dissolve functional advisory sub-groups and define their composition and tasks.

## **Article 20. : The Regional Groups and the Voluntary Regional Groups**

1. A Regional Group shall have a purpose and engage in activities of regional TSO cooperation that relate to those of the Committee under which it is established. It can be of temporary or permanent character.

Two or more Members from two or more countries can propose to establish a Regional Group. A proposal to establish a Regional Group shall be assessed by the Committee concerned, together with the proposed terms of reference, presenting at least the members, the purpose, the working structure (including, where relevant, the establishment of sub-groups) and the decision making procedures of the Regional Group concerned.

The proposal to establish a Regional Group shall be submitted to the Assembly, together with the proposed terms of reference of the Regional Group concerned and with the assessment of the Committee concerned. A Regional Group can only become operational following a positive decision of the Assembly.

2. A Regional Group shall comply with the following rules:
  - a) a Regional Group shall at all times comply with the guidelines of the Association (as formulated by the Assembly or the Board);
  - b) a Regional Group shall inform on a regular basis the Committee concerned of its activities and decisions, and shall at all times comply with the decisions mentioned in Article 18(5)(j), of the Committee under which it is established;

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- c) a Regional Group can develop and agree on detailed rules and procedures to enhance TSO cooperation. For that purpose the Members of the Regional Group can enter into multilateral agreements to formalise this cooperation. The Regional Group can act as a facilitator in the establishment of such agreements and in the monitoring and arbitration of their implementation;
  - d) a Regional group may submit regional network codes for approval by the Committee if it so chooses. For that purpose the Committee shall assess and report whether the proposed network codes are in line with the relevant guidelines and relevant network codes and take into account the non-binding Community-wide Ten-Year Network Development Plan.
3. A Voluntary Regional Group having a purpose and activities that relate to those of the Association, can be established by two or more Members for their regional cooperation, both on a temporary or a permanent basis.

Subject to the provisions below, a Voluntary Regional Group can organise itself freely:

- a) The Members of a Voluntary Regional Group have to notify the terms of reference of the Voluntary Regional Group concerned to the Secretary-General. These terms of reference should at least mention the members, the purpose, the working structure and the decision making procedures of the Regional Group concerned. In the event that the Secretary-General concludes that the terms of reference are in accordance with the Articles of Association and the Board confirms this conclusion, the Secretary-General shall send a letter of acknowledgment to the Voluntary Regional Group concerned. In the event that the Secretary-General concludes that the terms of reference are not in accordance with the Articles of Association and the Board confirms this conclusion, the Voluntary Regional Group concerned shall modify its terms of reference and submit new terms of reference to the Secretary-General for re-examination.
  - b) A Voluntary Regional Group shall comply with the rules of Article 20(2) (a) and (b).
4. An Associated Member shall have the right to attend Regional Groups meetings if defined in the Assembly decision granting its status of Associated Member but shall have no voting power. An Observer Member shall have the right to attend Regional Groups meetings if defined in the Observer Member Agreement but shall have no voting power.

#### **Article 21. : The Secretariat**

1. The Secretariat shall be entrusted with the following powers:
- a) assisting and supporting the bodies of the Association mentioned in Article 14 and the processes of the Association;
  - b) communicating with external stakeholders within the guidelines set by the Board;
  - c) drafting proposals for decision making;
  - d) informing the bodies, Members, Associated Members and Observer Members on Association activities;
  - e) adapting one time per year the Second Part of the Voting Power as mentioned in Table 1; and
  - f) proceeding to all legally required publications in the Belgian Official Gazette.

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2. The Secretary-General shall be appointed by the Assembly for a term of four years, unless otherwise stated in the decision to appoint. He may be reappointed for one or more terms of four years.
  3. The Secretary-General supervises the Secretariat and is responsible for the management of the Secretariat and the oversight of its work, which are aimed at fulfilling the responsibilities set forth in Article 21(1).

He shall be responsible for the day-to-day management of the Association within the approved budget and in line with the approved guidelines. The day-to-day management includes amongst others:

- a) externally communicating based on pre-determined positions and/or with factual information elements;
- b) supporting the work of the Association's bodies and processes;
- c) supporting and coordinating the meetings of the Board and the Assembly; providing direct assistance to the Chairperson of the Board and the President in their activities for the Association;
- d) proposing to the Board the establishment and dissolution of Expert Groups and of their corresponding Terms of Reference;
- e) interacting regularly with Chairpersons of other bodies of the Association;
- f) pro-actively initiating and supporting the development of the Association strategy;
- g) ensuring coherence and alignment between Association strategy and the work of Committees;
- h) developing the strategy and yearly objectives for the Secretariat;
- i) managing human resources in line with the Association's strategy to be submitted for Board approval;
- j) developing budget proposals and annual accounts; monitoring the budget and reporting budget status to the Board.

The Secretary-General may delegate specific issues with regard to the day-to-day management of the Association to members of the Secretariat.

The Assembly and the Board can delegate additional competences to the Secretary-General and the Secretariat.

The Secretary-General reports to the Chairperson of the Board.

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## CHAPTER IV: Financial Arrangements

### Article 22. : Budgetary Matters

1. The Association is established without capital contributions.
2. The Members shall contribute annually to the budget of the Association by payment of Membership subscriptions determined by their voting power with thirty per cent of the budget financed by the Members in proportion to the First Part of their Voting Power and seventy per cent in proportion to the Second Part of their Voting Power.

Following its approval of the budget for the following year, the Assembly shall approve the amounts to be paid by the Members for the ensuing financial year, including the payment of advances, if applicable.

3. The Associated Members shall contribute to the budget of the Association through the payment of an Associated Membership fee equivalent to the amount of 100.000 euros per year.
4. The Observer Members shall contribute to the budget of the Association through the payment of an Observer Membership fee equivalent to an amount between 10.000 and 70.000 euros per year as determined in the Observer Membership agreement.
5. Any amounts due shall be provided to the Association by the date decided by the Assembly meeting.

Membership subscription fees, Associated Membership fees and Observer Membership fees that are not paid at the due date shall accrue an interest charge pro rate the Belgian legal interest rate, without further notice being required.

Any Member, Associated Member or Observer Member in default of paying its fee shall not be entitled to exercise its rights (for Members, including their voting power) in the bodies of the Association.

6. A separate account shall be kept for any Regional Group relying on the use of the Secretariat of the Association. Within the limits of the budget decided by the Assembly, the costs of the Regional Groups shall be covered through the budget of the Association. However, members of a Voluntary Regional Group are responsible for covering the costs of the use of the Secretariat.

### Article 23. : Financial Year

The financial year shall start on January 1<sup>st</sup> and shall end on December 31<sup>st</sup> of the same year.

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**Article 24. : Annual Accounts**

1. Each year, the Board shall draw up the annual accounts and shall submit them for approval to the next Assembly meeting, in accordance with the Belgian Law dated June 27, 1921.
2. Within thirty days of their approval, the annual accounts shall be deposited at the Belgian National Bank and published, if required under Belgian Law.
3. If it appears from the annual accounts that the Association has realised any surplus, the Assembly shall decide on the use of this surplus.

In the event of any deficit, the Assembly shall take into account this deficit when approving the budget and the amounts to be paid by the Members for the following financial year.

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## **CHAPTER V: Miscellaneous Provisions**

### **Article 25. : Modification of Articles of Association**

1. Changes to the Articles of Association shall be made in accordance with Articles 48 and 50 paragraph 3 of the Belgian Law dated June 27, 1921. The amendments and a consolidated text of the Articles of Association shall be registered at the office of the Clerk of the commercial court. In addition, amendments to the Articles of Association shall be published, at the expenses of the Association, in the Annexes to the Belgian Official Gazette.

### **Article 26. : Liquidation**

1. In the event of the Association being wound up, the President shall effect the liquidation, unless the Assembly decides to delegate the liquidation to one or more persons whose powers and remuneration shall be determined by the Assembly.
2. After payment of all debts and expenses of the liquidation, the Assembly shall decide on the use of any net balance having regard to the objectives of the Association. Any assets remaining after liquidation shall be allocated to a disinterested cause.
3. Decisions relating to the dissolution of the Association and its liquidation shall be registered at the office of the Clerk of the commercial court and be published, at the expense of the Association, in the Annexes to the Belgian Official Gazette.

### **Article 27. : Internal Regulations**

1. Apart from the matters for which reference is made to the Internal Regulations in the Articles of Association, any other procedures governing the operations of the Association shall be specified in the Internal Regulations.
2. In case of differences in interpretation, the Articles of Association shall prevail over the Internal Regulations.
3. If no rules are provided and Belgian legal provisions are obligatory or applicable, they shall apply to the Association.
4. The first Internal Regulations shall be attached to the deed of Incorporation.

### **Article 28. : Governing law – Competent jurisdiction**

1. Any aspect which is not covered by the present Articles of Association and the Internal Regulations shall be governed by Belgian law, in particular title III of the Belgian Law of June 27, 1921 giving legal status to non-profit associations, international non-profit associations and

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foundations and, as far as the rules for deliberations are concerned, by the ordinary rules of the deliberating bodies.

2. All disputes arising out of or in connection with the present Articles of Association shall be submitted to the courts of the place of the registered office of the Association which shall have exclusive jurisdiction.

### **Article 29. : Interpretation**

These Articles of Association as well as the Internal Regulations shall exist in both the English and French languages. In the event of any differences in interpretation, the English text shall prevail.