

# ARTICLES OF ASSOCIATION

27 September 2023

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## **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 17(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 23(1) in charge of a specified area of TSO cooperation;
11. « Convenor »: physical person appointed in accordance with Article 4 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 Matter »: a matter that affects the interests or competences of more than one Committee and/or of the Legal and Regulatory Group which shall be handled by a Committee or by the Legal and Regulatory Group, possibly with the assistance of an Expert Group, upon decision by the Board;
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, taking into account the Board referral process pursuant to Article 20;
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 applicable European law;
18. « Internal Regulations »: the internal working rules of the Association;
19. « Legal and Regulatory Group »: the working body mentioned in Article 24 in charge of advising on and monitoring the legal and regulatory affairs;
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 25(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 18 of the Internal Regulations;

29. « TSO » or « Transmission System Operator »: a natural or legal person who is responsible for operating, ensuring the maintenance of and, if necessary, developing the transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity;

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 and legal form of the Association

1. The name of the Association is “European Network of Transmission System Operators for Electricity”, abbreviated “ENTSO-E”.

2. The Association takes the legal form of an international non-profit making association.

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 of the Association is established in the Brussels Capital Region.

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 and activities of the Association<sup>1</sup>

1. The Association shall pursue the co-operation of the European TSOs, especially but not exclusively in terms of a technical cooperation, both on the pan-European and the regional level to help its

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<sup>1</sup> This amended version of Article 4 of the Articles of Association was approved by the Assembly on 27 September 2023, but requires the approval by Royal Decree to become effective. The procedure to obtain the approval by Royal decree is pending. Until the approval by Royal Decree is obtained, the following version of Article 4 is applicable:

members achieve their common tasks and goals, including, amongst others, through the responsibilities given to ENTSO-E by the applicable European law and translated in its Annual Work Programme.

Built on the commonly shared primary interest of its Members to ensure the stability of the pan-European interconnected power system, the objective of the Association is to promote in a spirit of solidarity and loyalty the completion and functioning of the internal market for electricity and cross-zonal trade and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network.

When supporting the cooperation among its members at European and regional levels, ENTSO-E aims at prioritising the legally mandated tasks given by EU Regulations, Directives and Network Codes and Guidelines as well as the related terms and conditions or methodologies.

The Association acts as an expert advisor bringing together the unique and system-wide expertise, experience and know-how of its Members for the benefit of European citizens by enabling the energy transition while maintaining system security.

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*“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;*

*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”.*

As the common voice of European TSOs, the Association safeguards the TSOs' positions and engages actively in the European rule setting process providing, among others, expert contributions and a constructive view to the energy debates with the aim of creating a secure, sustainable and affordable system integrating renewable energy.

2. The Association may undertake any activity (including service-oriented activities), which, directly or indirectly, enables it to achieve the above-mentioned purpose. The activities of the Association shall thus include the following non-exhaustively listed activities:

a) promoting the security of the interconnected power system in all time frame at pan-European level and the optimal functioning and economic development of the interconnected transmission system, while enabling the integration of electricity generated from renewable energy sources and of emerging technologies;

b) developing network codes and guidelines;

c) monitoring network development and supporting public acceptability of transmission infrastructure;

d) promoting and coordinating Research, Development and Innovation activities relevant for the TSO industry;

e) taking positions on issues that can have an impact on TSOs' missions and on the development and operation of the transmission system or market facilitation;

f) enhancing communication and consultation with stakeholders and transparency of TSO operations;

g) ensuring a general mission of hosting processes for TSOs' cooperation in the fields of: (i) decision making processes for the development of the terms and conditions or methodologies under the relevant network codes and guidelines; and (ii) supporting the implementation of mandatory tasks;

h) providing a framework for cooperation and coordination between ENTSO-E, TSOs and key stakeholders;

i) promoting the digitalisation of transmission networks including deployment of smart grids, efficient real time data acquisition and intelligent metering systems;

j) contributing to the establishment of interoperability requirements and non-discriminatory and transparent procedures for accessing data;

k) promoting cyber security and data protection; and

l) performing other tasks of relevance to the Association.

The Members and the Association can enter into multilateral agreements to formalise and enhance their cooperation in specific areas. The Association may decide to act as a facilitator and to offer services in the establishment, management and coordination 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.

## 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 17(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.

## 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 43 of the Directive 2019/944 (as subsequently modified or substituted) or similar provisions in the laws of its country of origin (as subsequently modified or substituted); 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 43 of the Directive 2019/944 (as subsequently modified or substituted) or similar provisions in the laws of its country of origin (as subsequently modified or substituted);

- 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;
- e) 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 Observer Member; and
- f) the candidate has entered into an Observer Membership agreement.

An application by a candidate designated as a TSO in compliance with the applicable European law shall be considered positively by the Assembly in light of Article 28(1) of Regulation (EU) 2019/943 (as subsequently modified or substituted) 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. Application for admission as Member, Associated Member or Observer Member

1. Any application for admission as a Member, Associated Member or Observer Member of the Association shall be submitted in writing to the President. The application shall include the relevant documentation to prove the fulfilment of, as the case may be, the Membership, Associated Membership or Observer Membership criteria as set forth in Articles 7, 9 and 10 of the Articles of Association.

2. The President shall inform the Secretary-General of the application and of the accompanying documentation. Based on the analysis of the Secretary-General, the Board shall assess the application and report to the Assembly.

3. In the case of an application for admission as an Associated Member, the assessment of the Board shall include a proposal for the list of bodies to which the Associated Member may be invited to appoint a representative with no voting power when such participation is relevant for the pursuit of the activities of the Association as defined in the Articles of Association and Internal Regulations. When elaborating the list, the Board shall take into account the geographical location and the technical specificities of the Associated Member and that the bodies may not invite more than one representative for all the Associated Members of a given country. In addition, the proposal of the Board may include, if relevant, a proposal for the binding character of the decisions of these bodies.

4. In the case of an application for admission as an Observer Member, the assessment of the Board shall include a proposal that will be part of the Observer Member agreement for the list of working groups, regional group, Expert Groups, ad-hoc groups and task forces to which the Observer Member may be invited to appoint a representative with no voting power when such participation is relevant for the pursuit of the activities of the Association as defined in the Articles of Association and Internal Regulations. When elaborating the list, the Board shall take into account the geographical location and the technical specificities of the Observer Member. In addition, the proposal of the Board may include, if relevant, a proposal for the binding character of the decisions of these entities.

5. The application together with the Board assessment shall be submitted to the next Assembly meeting for decision.

## Article 12. 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 by registered letter or by bearer with reception receipt.

2. In case of resignation of a Member, Associated Member or Observer Member, the President shall inform the Secretary-General of the resignation letter. Based on the analysis of the Secretary-General and taking into account, where appropriate, the concerns of, as the case may be, the neighbouring Members, Associated Members or Observer Members of the resigning Member, Associated Member or Observer Member the Board shall consider the consequences of the resignation concerned and prepare a report to the Assembly.

3. 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 Articles of Associations.

4. The Assembly shall decide on any practical arrangements regarding the process and the effect of the resignation. Based on the decision of the Assembly, the Board shall seek agreement with the resigning Members, Associated Members or Observer Members as to the process and effect of their resignation.

## Article 13. 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 23(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 or the Observer Member respectively shall have the opportunity of defending itself in front of the Assembly.

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 13(1), in case

a) a Member is refused the designation as a TSO in compliance with Regulation (EU) 2019/943 and/or Directive 2019/944 (as subsequently modified or substituted) and/or any treaty or agreement between the EU and the non EU state governing their relationship with the IEM 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 (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 13(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.

4. When (a) Member(s) representing at least twenty percent of the total population as mentioned in Table 1 of Article 17(6) of the Articles of Association or a group of three Members from at least three different countries is (are) of the view that the conditions of Article 13(1), 13(2) or 13 (3) are fulfilled, it (they) can submit in writing a suspension or exclusion request to the President, indicating both the reasons for this request and the proposed suspension and/or exclusion proposal.

5. Only following a suspension or exclusion request under Article 13(4), the President shall inform the Secretary-General of the suspension or exclusion request. Based on the analysis of the Secretary-General and taking into account, where appropriate, the concerns of, as the case may be, the neighbouring Members, Associated Members or Observer Members of the Member, Associated Member or Observer Member of which the suspension of participation and/or voting rights or the exclusion is requested, the Board shall consider the suspension respectively exclusion request and prepare a report to the Assembly and, where appropriate, request the opinion of the European Commission under Article 13(3).

An Assembly shall be convened in accordance with Article 17(5). The Assembly shall decide on the suspension and/or exclusion request, taking into account (i) the right of, respectively, the Member, Associated Member or Observer Member concerned to defend itself in front of the Assembly, (ii) any legal constraints which may exist in respect of exclusion of TSOs, Members of the Association and (iii) where appropriate, the opinion of the European Commission under Article 13(3).

#### **Article 14. Effects of the resignation, suspension of participation and/or voting rights or the exclusion of Members, Associated Members and Observer Members**

1. Notwithstanding their resignation, suspension of participation and/or voting rights or exclusion, the resigning, suspended or excluded Member, Associated Member or Observer Member shall remain liable towards the Association for all unpaid fees, including the full fee related to the year in which the

resignation, suspension or exclusion becomes effective. Fees or contributions paid or provided to the Association by resigning, suspended or excluded Members, Associated Members or Observer Members shall not be refundable in case of resignation, suspension of participation and/or voting rights or exclusion, even if such fees or contributions relate to the year in which the resignation, suspension or exclusion becomes effective.

2. Resigning, suspended or excluded Members, Associated Members or Observer Members shall not be entitled to any of the assets of the Association.

3. Members, Associated Members or Observer Members whose respective status is terminated through resignation or exclusion, for whichever reason, will lose all rights defined in the present Articles of Association, with effect as from the date on which the termination of their respective status becomes effective.

## Article 15. Rights and duties of the Members

1. Without prejudice to the other provisions of the Articles of Association and of the Internal Regulations, a number of rights and duties of the Members are non-exhaustively listed below.

2. Each Member shall have, among others, the following rights, always in accordance with the Articles of Associations and the Internal Regulations:

- a) Each Member shall have the right to participate in Assembly meetings, in accordance with the modalities set out in Article 17 of the Articles of Association;
- b) Each Member shall have the right to appoint a representative for every Committee and for the Legal and Regulatory Group, in accordance with the modalities set out in respectively Article 23 and Article 24 of the Articles of Association;
- c) Each Member shall have the right to propose the establishment of Regional Groups and establish Voluntary Regional Groups, in accordance with the modalities set out in Article 25 of the Articles of Association;
- d) Each Member shall have the right to nominate candidates with regard to the elections for the positions of President, Vice-President, Chairperson and other members of the Board, Chairperson and Vice-Chairperson of the Committees and of the Legal and Regulatory Group, in accordance with the modalities set out in Chapter IV of the Articles of Association.

3. Each Member shall have, among others, the following duties, always in accordance with the Articles of Association and the Internal Regulations:

- a) Each Member undertakes to provide the Association with sufficient technical expertise taking into account not only their respective specificities and capabilities but also the appropriate level of involvement to enable the efficient and successful implementation of the Association's activities in accordance with the Association's Work Programme;
- b) Each Member shall contribute annually to the budget of the Association by payment of Membership subscriptions, according to the modalities set out in Chapter V of the Articles of Association;
- c) Each Member undertakes to follow decisions of the Association and use their reasonable endeavours to work in the best interest of the Association at all times provided that Members shall not be required to do or undertake to do anything that would cause them to be in breach

of any applicable rule of national or European law, and where such a commitment would lead to a potential conflict of interest situation, the Member is required to notify the Secretary-General or President immediately of such conflict of interest;

- d) Each Member undertakes to comply with the decisions and support commonly agreed positions issued by the bodies of the Association in accordance with the Articles of Association and with the Internal Regulations, (i) except for decisions and commonly agreed positions 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 decisions and commonly agreed positions do not conflict with mandatory national laws applicable to that Member and/or national specificity of that Member.

## **CHAPTER III: BODIES OF THE ASSOCIATION**

### **Article 16. 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 25(3) of the Articles of Association and Article 27(1) of the Articles of Association. The Association also acknowledges the Expert Groups.

The bodies of the Association interrelate as explained in Articles 17 to 25 inclusive.

### **Article 17. 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 on developments affecting in a significant manner the technical, security, market or financial conditions of the TSO community and/or the common TSOs' missions;
- k) the approval of the budget and of the annual accounts of the Association;
- l) the approval of the following budget data, submitted by the Secretary-General:
- for the previous financial year, a comparison between the budgeted and the final accounts;
  - for the current financial year, the budget, serving as basis for the calculation of monies to be paid;
  - for the following financial year, a preliminary budget, serving as basis for the monies, if any, to be paid for the following year;
- m) the approval of the working processes in the activities where standard procedures and specific requirements for timing, quality and transparency are essential and whereby each process shall be defined and described in detail in a separate Process Description Document;
- n) the establishment of Regional Groups;
- o) the establishment and dissolution of Committees;
- p) the adoption of decisions on matters submitted to the Assembly by the Board as provided for in Article 19(6) or by the Committees as provided for in Article 23(5);
- q) the delegation of the adoption of decisions on specific issues or in circumstances precisely defined to the Board and/or the Committees;
- r) the adoption and amendment of key policy issues papers (KPIP) regarding the network codes (NC) and the ten-year network development plan (TYNDP);
- s) the dissolution of the Association;
- t) 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;
- u) addressing, in the context of the constant monitoring of the Board, resource matters in a spirit of solidarity and equity between the Members upon proposal from the Board or on its own initiative.

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

3. The Members shall seek to participate in the Annual Assembly meetings as well as in all the other Assembly meetings that shall be held through their CEOs, or equivalent position if the function does not exist under the relevant domestic law of a Member. Each Member shall appoint in writing and notify to the President one 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. The appointment of a Representative or a substitute Representative by a Member shall take effect on receipt by the President of the written notification.

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. The name of the additional representative shall be communicated in writing to the President at the latest on the fourth Business Day preceding the Assembly meeting.

Without prejudice to this Article 17(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.

The Annual Assembly shall decide, amongst other matters, on all regular matters such as (i) the approval of the annual accounts and (ii) the appointment or, the case being, dismissal of the Vice-President, the other eleven members of the Board, the Secretary-General and the statutory auditors.

Apart from the Annual Assembly, Assembly meetings shall be held whenever needed. To the extent useful, the Association shall work towards organising on average four Assembly meetings per year (the Annual Assembly meeting included).

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 17(6), or by a group of three Members from at least three different countries. The request has to be submitted in writing to the President and has to include (i) the names and signatures of the Members that formulate the request and (ii) the items which are to be included in the agenda. Within two weeks of receipt and subject to verification that the request is consistent with the conditions of Article 17(5) of the Articles of Association, the President shall decide on a date



for the meeting. Such meeting shall be held within 2 months of the receipt of the request. Upon request of the President, the Secretariat shall give notice (including the agenda) to all Members in accordance with this Article 17(5) of the Articles of Association. The notice shall indicate the name of the Member or Members who have requested the meeting, and shall describe the conditions as to validity required under the terms of Article 17(7) of the Articles of Association; and

c) as a result of Article 19(9), in which case the Assembly meeting may be assisted by a mediation advisory committee, in accordance with the Articles of Associations.

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 and, where deemed appropriate by the President, have supporting documents;

The first item on the agenda shall be the notification by the President of the verification of the quorum and the distribution of voting rights for Members present or represented. The second item on the agenda shall be the approval of the agenda itself. The agenda can only be amended at a meeting at which Members of the Association representing at least 75% of the First Part of the Voting Power and 80% of the Second Part of the Voting Power attend or are represented and subject to their unanimous approval.

c) be delivered to each Member by e-mail (using the addresses of the Representative of each Member registered at the Secretariat), 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. In deviation to the first sentence of this point c), the supporting documents have to be made available to each Member (including by electronic means) at least two weeks before the meeting.

An Assembly meeting shall be held physically, by written voting procedure, or in any other way permitted by law, with, respectively, the possibility (in case the meeting is held physically) or the obligation (in case the meeting is held by written voting procedure) to have the voting by electronic means. The manner in which the meeting will be held and the voting modalities shall be specified in the Assembly notice. The electronic voting system shall consist of each Member sending a vote to the Secretariat, which shall be encrypted in case of an election procedure (in such case, the whole set of encrypted votes shall be de-encrypted simultaneously). The majorities needed for decisions taken by a written procedure are the same as for decisions taken by an Assembly meeting which is held physically.

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. In case of an Assembly meeting being held by written voting procedure, the time required for the due process is fixed by the President of the Association and shall be at least eight Business Days, except in case shorter duration is deemed necessary by the President.

Before the closing of an Assembly meeting, the Secretary-General shall prepare a set of minutes comprising the agenda, the list of Members presents or represented, together with the names of

Representatives and proxy holders, their respective voting rights, the documents which were submitted for approval (the case being as amended by the Assembly) and the decisions adopted by the Assembly.

These minutes shall be approved by the Assembly in session and 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 original copy of 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.<sup>2</sup>

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.

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<sup>2</sup> Table 1 on the following page is an updated version of Table 1 adapted by the Secretariat in 2023 at the occasion of the annual update of the Second Part of the Voting Power.

**Table 1.** Voting power of the Members of the Association (as subsequently amended or reviewed in accordance with Article 17(6))

Country	Member	First Part of the Voting Power ('one country, one vote' principle)	Second Part of the Voting Power (population per control area in thousand inhabitants)
Albania	OST	12	2.800,1
Austria	APG - Austrian Power Grid AG VÜEN - Vorarlberger Übertragungsnetz GmbH	10 2	8.566,3 401,2
Belgium	ELIA Transmission Belgium SA/NV	12	11.631,1
Bosnia Herzegovina	NOS BiH - Nezavisni operator sustava u Bosni i Hercegovini	12	3.531,2
Bulgaria	ESO - Electroenergien Sistemen Operator EAD	12	6.838,9
Croatia	HOPS - Croatian Transmission System Operator Plc.	12	3.862,3
Cyprus	TSO Cyprus - Cyprus Transmission System Operator	12	904,7
Czech Republic	ČEPS - ČEPS, a.s.	12	10.545,5
Denmark	Energinet - Energinet	12	5.864,7
Estonia	Elering - Elering AS	12	1.331,8
Finland	FINGRID - FINGRID OYJ	12	5.541,2
France	RTE - Réseau de Transport d'Electricité, S.A	12	67.842,6
Germany	Amprion - Amprion GmbH TenneT GER - TenneT TSO GmbH TransnetBW - TransnetBW GmbH 50Hertz - 50Hertz Transmission GmbH	3 3 3 3	29.651,8 25.215,1 10.342,2 17.994,2
Greece	IPTO - Independent Power Transmission Operator S.A.	12	10.603,8
Hungary	MAVIR Hungarian Transmission Operator Company Ltd	12	9.689,0
Iceland	Landsnet - Landsnet hf	12	315,6
Ireland	EirGrid - EirGrid plc	12	5.060,0
Italy	Terna - Rete Elettrica Nazionale SpA	12	59.607,2
Latvia	- AS Augstsprieguma tīkls	12	1.875,8
Lithuania	LITGRID - LITGRID AB	12	2.806,0
Luxembourg	CREOS Luxembourg - CREOS Luxembourg S.A.	12	643,6
Montenegro	CGES AD	12	620,0
Netherlands	TenneT NL - TenneT TSO B.V.	12	17.734,0
Norway	Statnett - Statnett SF	12	4.980,0
Poland	PSE - PSE S.A.	12	37.654,2
Portugal	REN - Rede Eléctrica Nacional, S.A	12	10.352,0

Romania	Compania Națională de Transport al Energiei Electrice Transelectrica S.A.	12	19.038,1
Serbia	EMS - JSC Elektromreža Srbije	12	7.186,9
Slovak Republic	SEPS - Slovenská elektrizačná prenosová sústava, a.s.	12	5.434,7
Slovenia	ELES, d.o.o., sistemski operater prenosnega elektroenergetskega omrežja	12	2.107,2
Spain	Red Eléctrica - Red Eléctrica de España, S.A.U.	12	47.432,8
Sweden	Svenska Kraftnät - Affärsverket Svenska Kraftnät	12	10.440,0
Switzerland	Swissgrid - Swissgrid AG	12	8.035,4
Republic of North Macedonia	MEPSO - Operator na elektroprenosniot sistem na Makedonija, AD	12	1.836,7
United Kingdom in respect of Northern Ireland	SONI - System Operator for Northern Ireland Ltd	12	1.903,2
<b>TOTAL</b>		<b>420</b>	<b>478 221 100</b>

Each Representative of a Member shall exercise the number of votes attributable to the Member he represents in accordance with this Article 17.

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 17(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 Articles of Associations.

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 Article 18 of the Articles of Association.

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 17(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 17(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.

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 accordance with Article 29 and Article 33.

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.

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

## Article 18. Assembly escalation process

1. Any Board, Committee or Legal and Regulatory Group decision which qualifies as a Major Transmission System Matter can be escalated to the Assembly within four Business Days as from the day of the notification of the Board, Committee or Legal and Regulatory Group decision (in accordance

with, respectively, Article 19(10), Article 23(9) and Article 24(8) of the Articles of Association), on request of:

- a) the Representative of any Member of the Association;
- b) any Board member; or
- c) the Chairperson or, in his absence, the Vice-Chairperson of any Committee or of the Legal and Regulatory Group.

2. The request shall comprise a brief overview of the grounds on which the decision can be qualified as a Major Transmission System Matter and, if deemed necessary by the requester, a solicitation for an extraordinary physical meeting. The request shall be notified in writing to the President and to the Secretary-General by e-mail. The President shall decide after having assessed the circumstances of the case to submit the escalated decision to the Assembly during a physical meeting or through a written voting procedure.

3. The Assembly shall decide on the basis of a proposal made by an ad-hoc group composed of the relevant Committee and of the Legal and Regulatory Group Chairs acting in due consultation with their respective Committee or the Legal and Regulatory Group, the Secretary-General and the relevant Secretariat managers.

## Article 19. 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 accordance with Article 32.

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.

2. The Chairperson of the Board is appointed by the Assembly for a term of two years in accordance with Article 30.

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.

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 accordance with Article 34.

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.

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 (i) adopted but non-unanimously approved by a Committee or by the Legal and Regulatory Group in accordance with Article 23(5) or Article 24(4) respectively or (ii) from 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) providing guidance on any (cross-)Committee issue which Committees face in delivering their mission (i) which constitutes a blocking point for the Committee or (ii) for which the strategy to be followed as defined by the Assembly and Board needs to be further clarified;

d) appointment and dismissal of the Vice-Chairperson of the Board;

e) preparation of the agenda for Assembly meetings;

f) 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;

g) preparation and approval of the annual report;

h) issuance of a recommendation to the Assembly on any application for the status of Associated Member;

i) drafting of proposals regarding Observer Membership agreements to the Assembly;

j) follow-up and execution of the general strategy and decisions of the Assembly including bringing at its own judgement to the Assembly the most important developments of its implementation;

k) coordination of the overall representation of the Association;

l) supervision of the Secretary General;

m) decision on issues delegated by the Assembly to the Board;

n) delegation of power on specific decisions and circumstances to the Committees;

o) 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 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;

p) 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;

q) decision upon all power entrusted to the Board in the Articles of Association and the Internal Regulations;

r) decision on any Cross Committee Implication Matter for referral by the Board in accordance with Article 20 or which has been escalated to the Board pursuant to Article 21.

7. A Board meeting shall be held physically, via video or telephone conference, or via written voting procedure with, respectively the possibility (in case the meeting is held physically or via video or telephone conference) or the obligation (in case of written voting procedure) to have the voting by electronic means. The electronic voting system shall consist of each Board member sending a vote to the Secretariat, which shall be encrypted in case of an election procedure (in such case, the whole set of encrypted votes shall be de-encrypted simultaneously). The majorities needed for decisions taken by a written procedure are the same as for decisions taken by a Board meeting which is held physically or via video or telephone conference. In case of a Board meeting being held by written voting procedure, the time required for the due process is fixed by the Chairperson of the Board and shall be at least one week, except in case of emergency.

8. The Board shall be convened by the Chairperson of the Board each time the interests of the Association require 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 together with the agenda shall be given to the members of the Board by e-mail by the Secretariat at the request of the Chairperson of the Board 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 indicating those items which are submitted for information or for decision 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. Where deemed appropriate by the Chairperson, an item of the agenda should have supporting documents attached. Those documents shall be made available to each member of the Board at least one week before the meeting.

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. These draft minutes shall be made available to the members of the Board, not later than one week after the meeting. After approval by the Board and signature by the Chairperson and the Secretary-General (at the latest by the next meeting), the Secretariat shall keep the original copy of the minutes and copies shall be made available to the members of the Board as well as to the Representatives of the Members of the Association.

In deviation to the preceding paragraph, whenever the Board takes decisions on issues delegated to the Board by the Assembly, the Secretary-General shall prepare, before the closing of the Board meeting, a set of minutes comprising the agenda, the list of Board members present or represented, together with the names of the proxy holders, the documents which were submitted for approval (the case being as amended by the Board) and the decision adopted by the Board. These minutes shall be approved by the Board in session and signed by the Chairperson and the Secretary-General. The Secretariat shall be responsible for the distribution of the copies to all members of the Board, to the President and to the Representatives of all the Members of the Association within one week of the meeting. The original copy of the minutes shall be kept by the Secretariat.

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 17(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 set up in order to formulate a consensus proposal to the Assembly. This mediation advisory committee shall be chaired by the President and shall consist of four further persons, two persons designated by the group of representatives rejecting the proposal which was submitted to voting in the Board respectively the Committee concerned, and two persons designated by the group of representatives in favour of the said proposal.

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 Article 18 of the Articles of Association.

12. The minutes of the Board shall be kept at the registered office of the Association.

#### Article 20. Board referral process

1. Any Committee or Legal and Regulatory Group decision item which raises a Cross Committee Implication Matter shall be referred without undue delay by the Chairperson of the relevant Committee(s) or of the Legal and Regulatory Group to the Board in order to decide which body of the Association shall take the lead in preparing and making a decision as well as in ensuring the involvement of all bodies of the Association that may be affected by the decision.

2. The Board shall decide upon a proposal of the Chairpersons of the Committees and of the Legal and Regulatory Group on the handling of a Cross Committee Implication Matter.

3. In the case the Chairpersons of the Committees and of the Legal and Regulatory Group are unable to agree on a proposal on the handling a Cross Committee Implication Matter, the Cross Committee Implication Matters is reverted to the Board and the Board can decide without such proposal.

#### Article 21. Board escalation process

1. Any Committee or Legal and Regulatory Group decision which raises a Cross Committee Implication Matter can be escalated to the Board within four Business Days as from the day of the notification of the Committee or of the Legal and Regulatory Group decision (in accordance with Article 23(9) and Article 24(8) of the Articles of Association), on request of:

a) any Board member; or

b) the Chairperson of any Committee or of the Legal and Regulatory Group;

under the condition that the Board referral process pursuant to Article 20 was not or not properly previously applied.

2. The request, comprising a brief overview of the grounds on which the decision raises a Cross Committee Implication Matter, shall be notified in writing to the Chairperson of the Board and to the Secretary General by e-mail. The Chairperson of the Board shall decide after having assessed the circumstances of the case to submit the escalated decision to the Board during a physical meeting or through a written voting procedure.

3. The Board shall decide on the basis of a proposal made by an ad-hoc group composed of the relevant Committee and/or Legal and Regulatory Group Chairs acting in due consultation with their respective Committee or Legal and Regulatory Group, the Secretary-General and the relevant Secretariat managers.

#### Article 22. 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 22(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 23. The Committees

1. The following Committees are established:

- a) a System Development Committee;
- b) a System Operations Committee;
- c) a Market Committee;
- d) a Research, Development and Innovation Committee; and
- e) an Information and Communication Technologies 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;

(iv) prepare, at their own initiative or upon request from the Board, and adopt position papers in coordination with the Board, within the framework of the general strategy of the Association as adopted by the Assembly. Position papers adopted but non-unanimously approved by a Committee shall be confirmed by the Board in accordance with Article 19(6)(a);

b) prepare positions and proposals for decision by the Board or the Assembly;

c) appoint the respective members of the ad-hoc groups entrusted by the Board to:

(i) prepare position paper proposals; and

(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;

d) initiate and lead studies of common interest within the mandate given by the Board to the Committee concerned;

e) make proposals for pan-European harmonisation of the codes and rules;

f) 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;

g) assess proposals and the terms of reference to establish Regional Groups;

h) 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, notwithstanding the following.

When calculating the majorities for deliverables required by the applicable EU law, the total sum of the voting rights of Committee members present or represented from Members from countries that are not EU Member States shall not exceed 33.3% of the total number of votes of the Committee members present or represented. In case the total sum of the voting rights of the Members from countries that are not EU Member States exceeds this threshold, the voting rights of those Members shall be reduced proportionately to avoid that this threshold is exceeded.

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 respectively, Article 18 of the Articles of Association and Article 21 of the Articles of Association.

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 in accordance with Article 31. 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.

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.

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 25.

## Article 24. 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;

c) prepare, upon request of the Board, and adopt in coordination with the other Committees and the Board position papers, within the framework of the general strategy of the Association as adopted by the Assembly. Position papers non-unanimously approved by the Legal and Regulatory Group shall be confirmed by the Board in accordance with Article 19(6)(a);

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 respectively, Article 18 of the Articles of Association and Article 21 of the Articles of Association.

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 in accordance with Article 31. 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.

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.

13. The Legal and Regulatory Group can establish and dissolve functional advisory sub-groups and define their composition and tasks.

## Article 25. 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 23(5)(h), of the Committee under which it is established;

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 25(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 26. The Secretariat

1. The Secretariat shall be entrusted with the following powers:

- a) assisting and supporting, including in organisation and coordination matters, the bodies of the Association mentioned in Article 16 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 and involving in a timely and comprehensive manner 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;
- f) proceeding to all legally required publications in the Belgian Official Gazette;
- g) providing technically skilled project management and support services;
- h) sharing information and ensuring a fit for purpose reporting on tasks; and
- i) promoting the work and positions of the Association.

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 26(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;

k) submitting for approval to the Assembly the following budget data:

- for the previous financial year, a comparison between the budgeted and the final accounts;
- for the current financial year, the budget, serving as basis for the calculation of monies to be paid;
- for the following financial year, a preliminary budget, serving as basis for the monies, if any, to be paid for the following year;

l) ensuring budget management.

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

## **CHAPTER IV: ELECTIONS AND RESIGNATIONS**

### **Article 27. Nomination advisory committee**

1. The nomination advisory committee is composed of the President, the Chairperson of the Board and any three persons appointed by the Board.

If a member of the nomination advisory committee has stood himself up for a position for which the committee has to propose candidates, the member concerned shall refrain from taking part in the deliberations and ballot with regard to this proposal.

The Chairs of the Committees and of the Legal and Regulatory Group shall be consulted by the nomination advisory committee for the proposals for the position of Chairperson of the Committees and of the Legal and Regulatory Group.

The Secretary-General attends the meetings of the nomination advisory committee and drafts the minutes of these meetings.

The nomination advisory committee may call on the support of advisers. Upon request of the nomination advisory committee, advisers can also attend the meetings of the nomination advisory committee to provide advice and assistance.

2. The nomination advisory committee has the following powers:

a) to organise a call for candidates when the position of President, Vice-President, Chairperson of the Board, member of the Board or Chairperson of a Committee or of the Legal and Regulatory Group becomes vacant;

b) to contact potential candidates on its own initiative;

c) to formulate a consensus proposal regarding the candidates for the position of President, Vice-President, Chairperson of the Board, member of the Board or Chairperson of a Committee or of the Legal and Regulatory Group;

d) to formulate recommendations to the President on the modalities for organising the elections within each of the sessions foreseen in the Articles of Association.

## Article 28. Election process modalities

1. The President shall, following recommendation of the nomination advisory committee and of the Vice-President and taking into account the principles set out in this Article 28, determine the modalities of the election and voting process for the position of President, Vice-President, Chairperson of the Board, member of the Board and Chairperson of a Committee or of the Legal and Regulatory Group. These modalities will include among others (i) the order in which the elections take place within each of the sessions foreseen in the Articles of Association in case the same Assembly meeting has to decide on the election of more than one open position, (ii) the method according to which the votes are cast, including the possibility to deviate from the principle of voting by secret ballot and the possibility to hold the election informally by applause if there is only one candidate and the possibility to hold the election via an electronic voting tool. The Assembly notice shall provide information on these election process modalities.

2. In case the election is held by written or electronic secret ballot, in order to ensure both the secrecy of the ballot and the efficiency of the election procedure, the secret ballot shall be organized as follows:

a) each Member participating in the vote shall receive one voting form (a written voting form or, in case of electronic voting, an electronic voting form);

b) the voting forms shall be counted or, in case of electronic voting calculation, verified by two external, independent persons (e.g. a public notary, an external lawyer) that are appointed during the meeting where the election takes place;

c) these external persons are entrusted with the power to calculate, interpret and communicate the results of the elections;

d) after the communication of the results, they shall keep the voting forms under a closed envelope during a period of four months after the election and shall keep the voting results of the Members confidential;

e) during the four months period, the voting forms can, following a decision of the Assembly meeting taken with a special majority, be re-examined by one or more additional external, independent person(s), in order to verify the results communicated by the initially appointed external persons;

f) after the period of four months, the voting forms shall be destroyed.

## Article 29. Election of the President

1. A call for nominations for the Presidency shall be organised by the nomination advisory committee at least four months in advance of the election date concerned. Nominations, comprising a nomination letter signed by the relevant Assembly Representative(s), a brief résumé and a motivation letter of the candidate, should be sent to the nomination advisory committee at least three months in advance of the election date concerned. Nominations by more than one member will not create priority or preference over other nominations.

2. The nomination advisory committee shall propose a list with maximum two candidates for this position not later than one month and a half prior to the election date, including the information

received from the listed candidates. Notice of this proposal shall be given to the Chairperson of the Board and to the Secretary-General. The Secretariat shall be responsible for the distribution of this proposal to all the Members of the Association.

Additional nominations, including a nomination letter signed by the relevant Assembly representative(s), a brief résumé and a motivation letter, may be submitted by Members to the President at least one month in advance of the election date concerned. Nominations by more than one member will not create priority or preference over other nominations.

Candidates for this position shall be chosen amongst the Representatives of Members in the Assembly, who are Employees and who do not have conflict of interest as foreseen in Article 18 of the Internal Regulations.

3. The proposal of the nomination advisory committee, together with the potential additional nominations submitted by Members, shall be distributed to all the Members of the Association at least three weeks in advance of the election date concerned.

4. The election of the President shall take place at the penultimate Assembly meeting to be held during the term of office of the outgoing President in accordance with Article 17(9) of the Articles of Association.

5. The elections shall be held by secret ballot, except: (i) if otherwise indicated in the Assembly notice, or (ii) if the Assembly, by simple majority, decides to deviate from the principle of a secret ballot.

6. If no candidate obtains a majority of over 50 % of the votes in the first voting round, a second voting round shall be held. Then the choice shall be limited to the two candidates having obtained the most votes in the first voting round. The candidate that obtains the most votes in the second voting round shall be validly appointed. In order to determine which candidate obtained over 50% of the votes or which candidate(s) obtained the most votes, an average percentage shall be derived from the two parts of the Voting Power for each candidate. This average percentage shall be calculated of the proportional vote shares whereby 50 % is determined on the basis of the First Part of the Voting Power and 50 % on the basis of the Second Part of the Voting Power.

7. The newly appointed President shall enter in office on the date of expiry of the term of office of the outgoing President.

### Article 30. Election of the Chairperson of the Board

1. A call for nominations for the Chairpersonship of the Board shall be organised by the nomination advisory committee at least four months in advance of the election date. Nominations, comprising a nomination letter signed by the relevant Assembly representative(s), a brief résumé and a motivation letter of the candidate, should be sent to the nomination advisory committee at least three months in advance of the election date concerned. Nominations by more than one member will not create priority or preference over other nominations.

2. The nomination advisory committee shall propose a list with maximum two candidates for this position not later than one month and a half prior to the election date, including the information received from the listed candidates. Notice of this proposal shall be given to the Chairperson of the Board and to the Secretary-General. The Secretariat shall be responsible for the distribution of this proposal to all the Members of the Association.

Additional nominations, including a nomination letter signed by the relevant Assembly representative(s), a brief résumé and a motivation letter, may be submitted by Members to the President at least one month in advance of the election date concerned. Nominations by more than one member will not create priority or preference over other nominations.

Candidates for this position shall be chosen amongst the Employees in the top management of a Member who do not have conflict of interest as foreseen in Article 18 of the Internal Regulations.

3. The proposal of the nomination advisory committee, together with the potential additional nominations submitted by Members, shall be distributed to all the Members of the Association at least three weeks in advance of the election date concerned.

4. The election shall take place at the penultimate Assembly meeting to be held during the term of office of the outgoing Chairperson, in accordance with Article 19(2) of the Articles of Association. The Assembly shall appoint the Chairperson following the same voting procedure as for the appointment of the President in accordance with Article 29(6) of the Articles of Association.

5. The elections shall be by secret ballot, except: (i) if otherwise indicated in the Assembly notice; or (ii) if the Assembly, by simple majority, decides to deviate from the principle of a secret ballot

In order to ensure both the secrecy of the ballot and the efficiency of the election procedure, the secret ballot shall be organized in accordance with Article 28 of the Articles of Association.

6. The newly appointed Chairperson shall enter in office on the date of expiry of the term of office of the outgoing Chairperson.

### Article 31. Election of the Chairpersons of the Committees and of the Legal and Regulatory Group

1. A call for nominations for the Chairpersonship of a Committee and of the Legal and Regulatory Group shall be organised by the nomination advisory committee at least four months in advance of the election date. Nominations, comprising a nomination letter signed by the relevant Assembly representative(s), a brief résumé and a motivation letter of the candidate, should be sent to the nomination advisory committee at least three months in advance of the election date concerned. Nominations by more than one member will not create priority or preference over other nominations.

2. The nomination advisory committee shall propose a list with maximum two candidates for each position not later than one month and a half prior to the election date, including the information received from the listed candidates. Notice of this proposal shall be given to the Chairperson of the Board and to the Secretary-General. The Secretariat shall be responsible for the distribution of this proposal to all the Members of the Association.

Additional nominations, including a nomination letter signed by the relevant Assembly representative(s) a brief résumé and a motivation letter, may be submitted by Members to the President at least one month in advance of the election date concerned. Nominations by more than one member will not create priority or preference over other nominations.

Candidates for these positions shall: (i) be Employees holding a senior position in the Member concerned; (ii) have adequate qualifications and experiences, relevant technical expertise as well as group facilitation skills, taking into account the specific tasks of the Committee concerned; (iii) be able to make themselves sufficiently available for an efficient management of the Chairpersonship in the

Committee concerned or in the Legal and Regulatory Group; and (iv) not have conflict of interest as foreseen in Article 18 of the Internal Regulations.

3. The proposal of the nomination advisory committee, together with the potential additional nominations submitted by Members, shall be distributed to all the Members of the Association at least three weeks in advance of the election date concerned.

4. The election shall take place at the penultimate Assembly meeting to be held during the term of office of the outgoing Chairpersons of the Committees and of the Legal and Regulatory Group, in accordance with Articles 23(12) and 24(11) of the Articles of Association. The Assembly shall appoint the Chairpersons of the Committees and of the Legal and Regulatory Group, following the same voting procedure as for the appointment of the President in accordance with Article 29(6) of the Articles of Association.

5. The elections shall be by secret ballot, except: (i) if otherwise indicated in the Assembly notice; or (ii) if the Assembly, by simple majority, decides to deviate from the principle of a secret ballot.

In order to ensure both the secrecy of the ballot and the efficiency of the election procedure, the secret ballot shall be organized in accordance with Article 28 of the Articles of Association.

6. The newly appointed Chairpersons of the Committees and of the Legal and Regulatory Group shall enter in office on the date of expiry of the term of office of the outgoing Chairpersons.

#### Article 32. Election of the other members of the Board

1. A call for nominations of the maximum eleven other members of the Board shall be organised by the nomination advisory committee at least four months in advance of the election date. Nominations, comprising a nomination letter signed by the relevant Assembly Representative(s), a brief résumé and a motivation letter of the candidate, should be sent to the nomination advisory committee at least three months in advance of the election date concerned, it being understood that this deadline can be postponed by the nomination advisory committee to ensure that it falls after the announcement of the results of the election of the President and the Chairpersons of the Board, of the Committees and of the Legal and Regulatory Group. Nominations by more than one member will not create priority or preference over other nominations.

2. The nomination advisory committee shall propose a list with maximum two candidates for each position not later than one month and a half prior to the election date, including the information received from the listed candidates. The nomination advisory committee shall make a proposal where at least one third of the Board members are proposed as Board members by means of a first mandate. Notice of this proposal shall be given to the Chairperson of the Board and to the Secretary-General. The Secretariat shall be responsible for the distribution of this proposal to all the Members of the Association.

Additional nominations, including a nomination letter signed by the relevant Assembly Representative(s), a brief résumé and a motivation letter, may be submitted by Members to the President at least one month in advance of the election date concerned. Nominations by more than one member will not create priority or preference over other nominations.

Candidates for these positions shall be chosen amongst the Employees in the top management of a Member who do not have conflict of interest as foreseen in Article 18 of the Internal Regulations, and taking into account:

- a fair geographical representation among the persons nominated;
- the contributions to the ENTSO-E work done (i) under the candidate's leadership or (ii) as a result of the involvement and commitment of the Member(s) presenting the candidate;
- an appropriate level of diversity amongst the persons nominated in terms of skills, including gender balance exemplarity, while also taking into account the ability for the persons nominated to represent the specificities of as many Members as possible.

3. The proposal of the nomination advisory committee, together with the potential additional nominations submitted by Members, shall be distributed to all the Members of the Association at least three weeks in advance of the election date concerned.

4. The election shall take place at the last Assembly meeting to be held during the term of office of the outgoing members of the Board, in accordance with Article 19(1) of the Articles of Association.

5. The elections shall be by secret ballot, except: (i) if otherwise indicated in the Assembly notice; or (ii) if the Assembly, by simple majority, decides to deviate from the principle of a secret ballot.

In order to ensure both the secrecy of the ballot and the efficiency of the election procedure, the secret ballot shall be organized in accordance with Article 28 of the Articles of Association.

6. Each Representative shall receive a voting form displaying the name of all the candidates and shall select a maximum of eleven candidate. The candidates shall be ordered from the candidate who obtained the most votes to the candidate who obtained the least votes. The eleven candidates who obtained the most votes shall be validly appointed subject to the condition that at least one third of the Board members are appointed as Board members by means of a first mandate.

If there is not at least one third of new Board members:

a) the candidates who were not part of the outgoing Board and who are amongst the eleven candidates who obtained the most votes shall be validly appointed;

b) the candidates who were part of the outgoing Board and who are amongst the eleven candidates who obtained the most votes shall be validly appointed (with priority to those who obtained the most votes) to the extent that at least one third of the positions of Board member remain free for Board members by means of a first mandate;

c) a second round shall be organized among the candidates who were not part of the outgoing Board to reach the threshold of at least one third of new Board member. The candidates who obtained the most votes on their name shall be validly appointed.

In order to determine the number of votes obtained by each candidate, an average percentage shall be derived from the two parts of the Voting Power for each candidate. This average percentage shall be calculated of the proportional vote shares whereby 50 % is determined on the basis of the First Part of the Voting Power and 50 % on the basis of the Second Part of the Voting Power.

7. The newly appointed other members of the Board needed to arrive at a Board of maximum twelve persons shall enter in office on the date of expiry of the term of office of the outgoing maximum eleven other members of the Board.

### Article 33. Election of the Vice-President

1. A call for nominations for the Vice-Presidency shall be organised by the nomination advisory committee at least four months in advance of the election date concerned. Nominations, comprising a nomination letter signed by the relevant Assembly Representative(s), a brief résumé and a motivation letter of the candidate, should be sent to the nomination advisory committee at least three months in advance of the election date concerned, it being understood that this deadline can be postponed by the nomination advisory committee to ensure that it falls after the announcement of the results of the election of the President and of the Chairpersons of the Board, of the Committees and of the Legal and Regulatory Group. Nominations by more than one member will not create priority or preference over other nominations.

2. The nomination advisory committee shall propose a list with maximum two candidates for this position not later than one month and a half prior to the election date, including the information received from the listed candidates. Notice of this proposal shall be given to the Chairperson of the Board and to the Secretary-General. The Secretariat shall be responsible for the distribution of this proposal to all the Members of the Association.

Additional nominations, including a nomination letter signed by the relevant Assembly Representative(s), a brief résumé and a motivation letter, may be submitted by Members to the President at least one month in advance of the election date concerned. Nominations by more than one member will not create priority or preference over other nominations.

Candidates for these positions shall be chosen amongst the Representatives of Members in the Assembly, who are Employees and who do not have conflict of interest as foreseen in Article 18 of the Internal Regulations.

3. The proposal of the nomination advisory committee, together with the potential additional nominations submitted by Members, shall be distributed to all the Members of the Association at least three weeks in advance of the election date concerned.

4. The election of the Vice-President shall take place at the last Assembly meeting to be held during the term of office of the outgoing Vice-President, in accordance with Article 17(9) of the Articles of Association. The Assembly shall appoint the Vice-President following the same voting procedure as for the appointment of the President in accordance with Article 29(6) of the Articles of Association.

5. The elections shall be by secret ballot, except (i) if otherwise indicated in the Assembly notice or (ii) if the Assembly, by simple majority, decides to deviate from the principle of a secret ballot.

In order to ensure both the secrecy of the ballot and the efficiency of the election procedure, the secret ballot shall be organized in accordance with Article 28 of the Articles of Association.

6. The newly appointed Vice-President shall enter in office on the date of expiry of the term of office of the outgoing Vice-President.

### Article 34. Election of the Vice-Chairperson of the Board

1. Nominations for the Vice-Chairpersonship of the Board shall be submitted by the members of the Board to the Chairperson of the Board at least one month in advance of the election date. The aforementioned nominations, résumés and motivation letters of the candidates concerned shall be circulated by the Chairperson to all the members of the Board.



2. The election shall take place at the first meeting of the newly appointed Board, in accordance with Article 19(3) of the Articles of Association.

3. The elections shall be by secret ballot, except: (i) if there is only one candidate for the vacant mandate; or (ii) if the Board, by simple majority, decides to deviate from the principle of a secret ballot. In case there is only one candidate for the vacant mandate, the Chairperson of the Board can decide to deviate from the principle of voting by secret ballot and hold the election informally by applause.

4. If no candidate for the Vice-Chairpersonship obtains a majority of over 50 % of the votes in the first voting round, a second voting round shall be held, whereby the choice shall be limited to the two candidates having obtained the most votes in the first voting round. The candidate that obtains the most votes in the second voting round shall be validly appointed.

5. The newly appointed Vice-Chairperson of the Board shall enter in office on the date of expiry of the term of office of the outgoing Vice-Chairperson.

### Article 35. Election of the Secretary-General

1. The selection process of the Secretary-General shall consist of the following steps:

a) circulation of the vacancy to Members and Associated Members;

b) if decided by the Board, additional headhunting by a European executive search firm, selection of which shall be made by the Board; and

c) assessment by an independent selection jury appointed by the Board which includes, if decided by the Board, an assessment by a specialized assessment agency, selection of which shall be made by the Board.

2. Based on the outcome of the assessment exercise the Board shall come up with one final candidate to present to the Assembly for appointment.

### Article 36. Resignation of the President and of the Vice-President

1. The President or the Vice-President may resign by notifying his resignation to the Assembly by means of a notice addressed to the Chairperson of the Board, with a copy to the Secretary-General. The Secretary-General shall circulate a copy of the notice to the nomination advisory committee and to the Representatives of all the Members of the Association.

2. In case of resignation of the President or of the Vice-President of the Association, an Assembly meeting should be called within four months in view of a decision on replacement. The resigning (Vice-) President shall remain in office until the next Assembly meeting, where a replacement shall be appointed. The timing for the collection of nominations may be adapted to ensure the timely circulation of these nominations ahead of the Assembly meeting.

3. In both cases the replacement shall assume the functions of the resigning President or Vice-President until the expiry of the term of office of the outgoing President or Vice-President. In case the remaining term of office of the outgoing (Vice-)President exceeds one year, this replacement shall, for the application of Article 17(9), second paragraph, be considered to have been appointed for a term of two years.

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 President or the Vice-President still in function, until the Assembly appoints a replacement in accordance with Article 17(9).

### Article 37. Resignation of the Chairperson and of the other members of the Board

1. The Chairperson of the Board and any other member of the Board may resign by notifying his resignation to the Assembly by means of a notice addressed to the President, with a copy to the Secretary-General. The Secretary-General shall circulate a copy of the notice to the nomination advisory committee and to the Representatives of all the Members of the Association.

2. In case of resignation of the Chairperson or of any other member of the Board, an Assembly meeting should be called within four months in view of a decision on replacement. The timing for the collection of nominations may be adapted to ensure the timely circulation of these nominations ahead of the Assembly meeting. The resigning member of the Board shall remain in office until the next Assembly meeting, where a replacement shall be appointed.

3. In all these cases the replacement shall assume the functions of the resigning Chairperson or other member of the Board until the expiry of the term of office of the outgoing Chairperson or other 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 19(1), third paragraph, be considered to have been appointed for a term of two years.

4. 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.

### Article 38. Resignation of the Chairpersons of the Committees and of the Legal and Regulatory Group

1. The Chairperson of a Committee and of the Legal and Regulatory Group may resign by notifying his resignation to the Assembly by means of a notice addressed to the President, with a copy to the Secretary-General. The Secretary-General shall circulate a copy of the notice to the nomination advisory committee and to the Representatives of all the Members of the Association.

2. In case of resignation of the Chairperson of a Committee or 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 timing for the collection of nominations may be adapted to ensure the timely circulation of these nominations ahead of the Assembly meeting. The resigning Chairperson shall remain in office until the next Assembly meeting, where a replacement shall be appointed.

3. The 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 23(12), second paragraph, and of Article 24(11), second paragraph, respectively, be considered to have been appointed for a term of two years.

4. The Chairperson of a Committee or of the Legal 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 a Committee, the

functions of the resigning Chairperson shall be assumed by the Vice-Chairperson of the Committee concerned or by the Vice-Chairperson of the Legal Regulatory Group, until the Assembly appoints a replacement in accordance with Article 23(12).

### Article 39. Resignation of the Vice-Chairperson of the Board

1. The Vice-Chairperson of the Board may resign submit by notifying his resignation to the Chairperson of the Board. The Chairperson of the Board shall circulate a copy of the notice to all the members of the Board.
2. In case of resignation of the Vice-Chairperson of the Board, a meeting of the Board should be called within four months in view of a decision on replacement. The resigning Vice-Chairperson shall remain in office until the next Board meeting, where a decision on replacement shall be taken.
3. The 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(3), second paragraph, be considered to have been appointed for a term of two years.
4. 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 19(3).

## CHAPTER V: FINANCIAL ARRANGEMENTS

### Article 40. Budgetary Matters

1. The Association is established without capital contributions.
2. The budget of the Association will be determined by the Assembly and can be composed of contributions, external financing, revenues or any other resources.
3. 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.

4. The Associated Members shall contribute to the budget of the Association through the payment of an Associated Membership fee.
5. The Observer Members shall contribute to the budget of the Association through the payment of an Observer Membership fee as determined in the Observer Membership agreement.
6. 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.

7. 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 41. 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.

#### Article 42. 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 Code of Companies and Associations.

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.

In case of an unforeseen deficit, the Assembly may also decide on advance payments to be made by the Members, in proportion to their annual contribution to the budget as approved by the Assembly.

### CHAPTER VI: MISCELLANEOUS PROVISIONS

#### Article 43. Modification of Articles of Association

1. Changes to the Articles of Association shall be made in accordance with Articles 2:5, §3 and 2:5, §4 of the Belgian Code of Companies and Associations. 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 44. 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 an association or other entity with a similar purpose as the Association, except in case the Assembly would decide otherwise.

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 45. 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 46. 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 the Code of Companies and Associations giving legal status to non-profit associations, international non-profit associations and 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 47. 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.

#### Article 48: Official functions within the Association - Reserved to Employees

1. All official functions within the Association where TSOs are represented (e.g. Assembly, Board, Committees, Legal and Regulatory Group, Regional Groups, working groups, Expert Groups, task forces) shall only be occupied by Employees, provided that only Employees in the top management of a Member can occupy the function of Chairperson or member of the Board.

2. By derogation to the above, in exceptional circumstances, Members may appoint a person not being an Employee to be its representative in a working group or in a task force, subject to the condition that this person is not an employee of a company providing services to the Association during the same period and subject to the prior written authorisation by the Chairperson of the relevant Committee, provided this authorisation is communicated to all the members of the relevant working group or task force with a copy to the Secretary General.

## Article 49. Transparency and Confidentiality

1. Within the general context of transparency between the TSOs and in accordance with the principles set forth in Articles 41 and 50(9) of Directive 2019/944 (as subsequently modified or substituted), national law implementing the abovementioned provisions and/or other national or international law imposing specific confidentiality and non-disclosure obligations, no Member, Associated Member or Observer Member (or its (substitute) representative) of the Association shall use any confidential information obtained by it (the "Recipient") through their status of Member, Associated Member or Observer Member of the Association for any purpose save as strictly required by its obligations set forth in Article 40(e) of Directive 2019/944 (as subsequently modified or substituted), or disclose any such information to any third party other than the Recipient's directors, employees, professional advisers and representatives who strictly need to know such information for the proper performance of their professional activities and who are correspondingly bound in writing by the same strict obligations of confidentiality.

All Members, Associated Members and Observer Members of the Association shall organise their data handling in such a way as to minimise the risks of misuse or unauthorised access or disclosure of Confidential Information.

Confidential Information includes:

a) information relating to users of the electricity network systems, which is commercially sensitive information and, if disclosed, is likely to breach a legal obligation of a Member (e.g. competition law); and

b) information clearly marked as "confidential" provided that the person conveying the information provides proof of legal constraints such as for example, competition constraint or security constraints justifying the confidential character of the obligation no later than at the moment it is submitting the information;

and excludes information which:

a) shall be disclosed in accordance with any piece of law of the European Union or in accordance with any piece of national law applying to the TSO providing the information;

b) is the public domain other than by reason of breach of this clause;

c) is already lawfully in the possession of the Recipient prior to its receipt from the disclosing party; or

d) the Recipient is required to disclose under any law, court order or order of authorities.

Any Member, Associated Member or Observer Member, who is deemed by the Assembly to be in breach of this Article, may be excluded by the Assembly from exercising its rights as a Member, an Associated Member or an Observer Member of the Association as appropriate.

2. In case third persons are invited to participate in a meeting of a body of the Association, the body concerned may decide to require the signing of a confidentiality agreement by the persons concerned.

## Article 50. Cooperation with other Organisations and Institutions

1. Without prejudice to Article 4 of the Articles of Association and taking into account the requirements of applicable law regarding matters to be treated within the Association, the Association

shall, in due respect of subsidiarity, not interfere in activities that are the proper responsibility of its Members.

2. In order to avoid unnecessary duplication of effort, and to promote a coordinated approach to matters of mutual interest, the Association is empowered to establish and maintain regular contact with, and cooperate with, any organisations and institutions representing the interests of Transmission System Operators both within and outside the IEM.

#### Article 51. Adherence

1. By accepting the status of Member, Associated Member or Observer Member of the Association, each Member, Associated Member or Observer Member respectively accepts the Articles of Association and the Internal Regulations of the Association

2. If a Member, Associated Member or Observer Member acts against interests of the Association or damages reputation of the Association in any way, the Assembly may at its discretion, but with respect of applicable law, issue, as the case may be, the Member, Associated Member or Observer Member with a written warning and/or exclude the Member, Associated Member or Observer Member with immediate effect in accordance with Article 13 of the Articles of Association.

3. If a person who occupies an official function within the Association has or appears to have a potential conflict of interest, acts against the interests of the Association, or damages the reputation of the Association in any way, this person can be dismissed by the competent body of the Association.