

**Internal Regulations of the  
International Non-Profit Association (IVZW / AISBL)  
European Network of Transmission System Operators for Electricity**

**ENTSO-E**

**28 June 2011**

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## **CHAPTER 1 - Governance**

### **TITLE I - Scope of Internal Regulations**

#### **Article 1. - Introduction**

In accordance with Article 24 of the Articles of Association of ENTSO-E, these Internal Regulations define practical and technical matters and procedures governing the operations of the Association.

Should there be a difference in interpretation between the Articles of Association and the Internal Regulations, the former shall prevail.

Once approved by the Assembly of the Association, the Internal Regulations shall take effect and each Member and Observer shall be responsible for compliance with these Internal Regulations.

Unless otherwise specified, words and expressions used herein shall have the same meanings as in the Articles of Association.

### **TITLE II - Members and Observers of the Association**

#### **Article 2. - Application for membership**

Any application for admission as a Member or Observer of the Association must be submitted in writing to the President. The application shall include the relevant documentation to prove the fulfilment of the membership or observership criteria as set forth in Articles 6 and 7 of the Articles of Association.

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

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

#### **Article 3. - Resignation of Members and Observers**

The resignation of a Member or Observer of the Association shall be notified to the President by registered letter or by bearer with reception receipt.

The President will 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 the neighbouring Members of the resigning Member, the Board will consider the consequences of the resignation concerned and prepare a report to the Assembly.

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 or Observers as to the process and effect of their resignation.

#### **Article 4. - Suspension of participation and/or voting rights - Exclusion**

When (a) Member(s) representing at least twenty percent of the total population as mentioned in Table 1 of Article 12.6 of the Articles of Association or a group of three Members from at least three different countries (is) are of the view that:

- the participation rights, including the voting rights, of another Member's representative in the Legal & Regulatory Group, the Regional Groups, the Working Groups and/or the Committees should be suspended, in whole or in part, for a period of time, and/or
- the voting rights of another Member in the Assembly should be suspended, in whole or in part, for a period of time, or
- another Member or Observer should be excluded from the Association,

on material default grounds (as mentioned in Article 9.1 of the Articles of Association), or because that Member is refused the designation as a TSO in compliance with Regulation 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 714/2009 and/or Directive 2009/72/EC, in the state in which it operates or a certification already granted to a designated TSO is withdrawn or annulled (as mentioned in Article 9.2 of the Articles of Association), or because the state in which that Member operates is either under no legal obligation to apply, or is materially delayed in its implementation of Regulation 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 714/2009 and/or Directive 2009/72/EC (as mentioned in Article 9.3 of the Articles of Association), such Member(s) can submit a written notification to this effect to the President.

The President will inform the Secretary-General of the suspension respectively exclusion request. Based on the analysis of the Secretary-General and taking into account, where appropriate, the concerns of the neighbouring Members of the Member of which the suspension of participation and/or voting rights or the exclusion is requested, the Board will consider the suspension respectively exclusion request and prepare a report to the Assembly.

The Assembly will decide on the suspension and/or exclusion request, taking into account (i) the right of the Member respectively the Observer concerned to defend itself in front of the Assembly and (ii) any legal constraints which may exist in respect of exclusion of TSOs, Members of the Association.

### **TITLE III - The Assembly**

#### **Article 5. - Appointment of a Member's Representative and substitute Representative - Proxy**

In accordance with the provisions of Article 12.3 of the Articles of Association, each Member shall appoint one Representative and, if deemed useful by the Member concerned, one substitute Representative to the Assembly, by means of written notice to the President authorising such Representative and substitute Representative to hold his position.

The appointment will take effect on receipt of such notice.

If a Representative or substitute Representative, who is authorised to exercise a Member's voting rights, is unable to attend, the Member concerned may be represented by a proxy holder in accordance with Article 12.3 of the Articles of Association. The proxy shall be delivered to the President before the start of the Assembly meeting.

#### **Article 6. - Additional representative of a Member**

In accordance with the provisions of Article 12.4 of the Articles of Association, each Member may send one additional representative to attend the Assembly meetings.

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

#### **Article 7. - Notices**

Notices of a meeting of the Assembly, specifying time and place of the meeting and including the agenda for the meeting, shall be issued at the request of the President by e-mail or telefax, by the Secretariat to each Member at least three weeks before the meeting, using the addresses of the Representative of each Member registered at the Secretariat, unless the President considers that, due to a specific time constraint, shorter advance notices are needed. In this case, the President will have the possibility to deliver the notices to each Member by e-mail or telefax, at least two weeks before the meeting.

If the meeting is requested by Member(s) representing at least twenty percent of the total population mentioned in Table 1 of Article 12.6 of the Articles of Association or by a group of three Members from at least three different countries, in accordance with Article 12.5 of the Articles of Association, an application to this effect shall be submitted in writing to the President, including (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 12.5 of the Articles of Association, the President shall decide on a date for the meeting, which meeting shall be held within two 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 the first paragraph of this Article 7. 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 12.7 of the Articles of Association.

If the meeting is requested by the Chairperson of the Board pursuant to Article 13.7 of the Articles of Association, 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 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.

### **Article 8. - Agenda of the Assembly - 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 all Members of the Association participate and subject to their unanimous approval.

The agenda shall indicate those items which are submitted for information or for decision. Where deemed appropriate by the President, a written proposal for resolution shall be included for those items submitted for a decision.

Where deemed appropriate by the President, an item of the Agenda should have supporting documents attached. Those documents shall be made available to each Member (including by electronic means) at least two weeks before the meeting.

### **Article 9. - Minutes and Resolutions**

Before the closing of an Assembly meeting, the Secretary-General will prepare a set of minutes comprising the agenda, the list of Members present 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 resolutions adopted by the Assembly.

These minutes shall be approved by the Assembly in session and signed by the President and the Secretary-General.

The Secretariat shall be responsible for the distribution of the minutes to the President and to all Members of the Association within maximum one week of the meeting. The original copy of the minutes shall be kept by the Secretariat.

### **Article 10. - Annual Assembly - Number of meetings of Assembly**

The Members will seek to participate in the Annual Assembly meetings through their CEOs.

The Annual Assembly will decide, amongst other matters, on all regular matters such as (i) the annual work programme, (ii) the approval of the annual accounts and of the budget and (iii) the appointment or, the case being, dismissal of the President, the Vice-President, the members of the Board, the Chairpersons of the Committees and of the Legal & Regulatory Group, the Secretary-General and the statutory auditors.

Apart from the Annual Assembly, Assembly meetings will be held whenever needed, in accordance with the provisions of Article 12.5 of the Articles of Association. To the extent useful, the Association will work towards organising on average four Assembly meetings per year (the Annual Assembly meeting included).

### **Article 11. - Written voting procedure**

The President of the Assembly may set up a written procedure for decision making by the Assembly, via voting by electronic means. 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 will be de-encrypted simultaneously).

The time required for the due process is fixed by the President of the Association and it shall be at least two weeks.

The majorities needed for decisions taken by a written procedure for decision making are the same as for decisions taken by an Assembly meeting which is held physically.

## **TITLE IV - Board**

### **Article 12. - The Board: Notices - Agenda - Supporting documents - Minutes and Resolutions**

Notices of a meeting of the Board, specifying time and place of the meeting, shall be given by the Secretariat at the request of the Chairperson of the Board, together with the agenda, at least one week before the meeting.

The agenda shall indicate those items which are submitted for information or for decision. Where deemed appropriate by the Chairperson, a written proposal for resolution shall be included for those items submitted for 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 prepare a set of draft minutes. 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 of the Association 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 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 will 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 resolutions 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 all Members of the Association within one week of the meeting. The original copy of the minutes shall be kept by the Secretariat.



## **TITLE V - Elections and Resignations**

### **Article 13. - Regional balance**

When electing the persons mentioned in the Articles 14, 15 and 17, the Members intent to ensure a fair geographical representation among the persons nominated.

### **Article 14. - Election of the President and the Vice-President**

Nominations for the Presidency and the Vice-Presidency shall be submitted by the Members to the President at least one month in advance of the election date, and shall include a brief résumé of the candidate. The aforementioned nominations and résumés of the candidates concerned shall be circulated by the President to all Members of the Association.

Candidates for these positions shall be chosen amongst the Representatives of Members in the Assembly.

The election shall take place at the last Assembly meeting to be held during the term of office of the outgoing President or Vice-President, in accordance with Article 12.8 of the Articles of Association.

The elections shall be by secret ballot, except (i) if there is only one candidate for each vacant mandate 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 will be organized as follows:

- each Member participating in the vote will receive one voting form;
- the voting forms will be counted by two external, independent persons (e.g. a public notary, an external lawyer), that are appointed during the meeting where the election takes place;
- these external persons are entrusted the power to calculate, interpret and communicate the results of the elections;
- after the communication of the results, they will keep the voting forms under a closed envelope during a period of four months after the election and will keep the voting results of the Members confidential;
- during the four months period, the voting forms can, following a decision of the general 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;
- after the period of four months, the voting forms will be destroyed.

The Assembly will first appoint the President. If no candidate for the Presidency obtains a majority of over 50 % of the votes in the first round, a second voting round will be held. Then the choice will 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 will 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 will be derived from the two parts of the Voting Power for each candidate. This average percentage is calculated of the proportional vote shares whereby fifty per cent will be

determined on the basis of the First Part of the Voting Power and fifty per cent on the basis of the Second Part of the Voting Power.

Following the appointment of the President, the Assembly will appoint the Vice-President according to the same procedure as for the appointment of the President.

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

#### **Article 15. - Election of the Chairperson and the Vice-Chairperson of the Board**

Nominations for the Chairpersonship and the Vice-Chairpersonship of the Board shall be submitted by the Members to the President of the Assembly at least one month in advance of the election date, and shall include a brief résumé of the candidate. The aforementioned nominations and résumés of the candidates concerned shall be circulated by the President to all Members of the Association.

Candidates for these positions shall be chosen amongst the Representatives and the substitute Representatives of Members in the Assembly.

The election shall take place at the last Assembly meeting to be held during the term of office of the outgoing Chairperson or Vice-Chairperson, in accordance with Article 13.2 of the Articles of Association.

The elections shall be by secret ballot, except (i) if there is only one candidate for each vacant mandate 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 will be organized in accordance with Article 14, fifth paragraph.

Following the appointment of the President and Vice-President, the Assembly will first appoint the Chairperson and then Vice-Chairperson following the same voting procedure as for the appointment of the President in accordance with Article 14, sixth paragraph.

The newly appointed Chairperson and Vice-Chairperson will enter in office on the date of expiry of the term of office of the outgoing Chairperson and Vice-Chairperson.

#### **Article 16. - Election of the Chairpersons of the Committees and of the Legal & Regulatory Group**

Nominations for the Chairpersonship of a Committee and of the Legal & Regulatory Group shall be submitted by the Members to the President of the Assembly at least one month in advance of the election date, and shall include a brief résumé of the candidate. The aforementioned nominations and résumés of the candidates concerned shall be circulated by the President to all Members of the Association.

Candidates for these positions shall be chosen amongst the Members' representatives in the Committee concerned or in the Legal & Regulatory Group. The Members will seek to delegate

representatives that both (i) have adequate qualifications and experiences, taking into account the specific tasks of the Committee concerned, and (ii) hold a senior position in the Member concerned.

The election shall take place at the last Assembly meeting to be held during the term of office of the outgoing Chairpersons of the Committees and of the Legal & Regulatory Group, in accordance with Articles 15.8 and 16.5 of the Articles of Association.

The elections shall be by secret ballot, except (i) if there is only one candidate for each vacant mandate 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 will be organized in accordance with Article 14, fifth paragraph.

Following the appointment of the President, the Vice-President, the Chairperson and Vice-Chairperson of the Board, the Assembly will appoint the Chairpersons of the Committees (in the order mentioned in Article 15.1 of the Articles of Association) and of the Legal & Regulatory Group, following the same voting procedure as for the appointment of the President in accordance with Article 14, sixth paragraph.

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

#### **Article 17. - Election of the other members of the Board**

Nominations of the maximum ten other members of the Board shall be submitted by the Members to the President of the Assembly at least one month in advance of the election date, and shall include a brief résumé of the candidate. The aforementioned nominations and résumés of the candidates concerned shall be circulated by the President to all Members of the Association.

Candidates for these positions shall be chosen amongst the Representatives and the substitute Representatives of Members in the Assembly.

The election shall take place at the last Assembly meeting to be held during the term of office of the other members of the Board, in accordance with Article 13.2 of the Articles of Association.

The elections shall be by secret ballot, except (i) if there is only one candidate for each vacant mandate 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 will be organized in accordance with Article 14, fifth paragraph.

Following the appointment of the President, the Vice-President, the Chairperson and Vice-Chairperson of the Board, and the Chairpersons of the Committees and of the Legal & Regulatory Group, the Assembly will appoint the other members of the Board following the same voting procedure as for the appointment of the President in accordance with Article 14, sixth paragraph.

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

#### **Article 18. - Election of the Secretary-General**

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

- circulation of the vacancy to Members and Observers;
  - headhunting by a European executive search firm, selection of which shall be made by the Board;
  - assessment by a specialized assessment agency, selection of which shall be made by the Board.
- Based on the outcome of the assessment exercise the Board will come up with one final candidate to present to the Assembly for appointment.

#### **Article 19. - Election of the Vice-Chairpersons of the Committees and of the Legal & Regulatory Group**

Nominations for the Vice-Chairpersonship of a Committee and of the Legal & Regulatory Group shall be submitted by the members of the Committee concerned and of the Legal & Regulatory Group to the Chairperson of the Committee concerned or of the Legal & Regulatory Group at least one month in advance of the election date, and shall include a brief résumé of the candidate. The aforementioned nominations and résumés of the candidates concerned shall be circulated by the Chairperson to all members of the Committee concerned or of the Legal & Regulatory Group.

Candidates for these positions shall be chosen amongst the members of the Committee concerned or of the Legal & Regulatory Group. The members will seek to delegate representatives that both (i) have adequate qualifications and experiences, taking into account the specific tasks of the Committee concerned, and (ii) hold a senior position in the Member concerned.

The election shall take place at the last meeting of the Committee concerned or of the Legal & Regulatory Group to be held during the term of office of the outgoing Vice-Chairpersons of the Committees and of the Legal & Regulatory Group, in accordance with Articles 15.9 and 16.6 of the Articles of Association.

The elections shall be by secret ballot, except (i) if there is only one candidate for each vacant mandate or (ii) if the Assembly, by simple majority, decides to deviate from the principle of a secret ballot.

If no candidate for one of these Vice-Chairpersonships obtains a majority of over 50 % of votes in the first round, a second voting round will be held, whereby the choice will 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 will be validly appointed.

The newly appointed Vice-Chairpersons of the Committees and of the Legal & Regulatory Group will enter in office on the date of expiry of the term of office of the outgoing Vice-Chairpersons.

## **Article 20. - Resignation of the President and the Vice-President**

The President or the Vice-President may submit 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 all Members of the Association.

In case of resignation of the President or the Vice-President of the Association, an Assembly meeting should be called within two months in view of a decision on replacement.

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.

## **Article 21. - Resignation of the Chairperson and the Vice-Chairperson of the Board and of the other members of the Board**

The Chairperson or the Vice-Chairperson of the Board and any other member of the Board may submit 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 all Members of the Association.

In case of resignation of the Chairperson, the Vice-Chairperson or of any other member of the Board, an Assembly meeting should be called within two months in view of a decision on replacement.

In all these cases the replacement shall assume the functions of the resigning Chairperson, Vice-Chairperson or other member of the Board until the expiry of the term of office of the outgoing Chairperson, Vice-Chairperson or other member of the Board.

## **Article 22. - Resignation of the Chairpersons of the Committees and of the Legal & Regulatory Group**

The Chairperson of a Committee and of the Legal & Regulatory Group may submit 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 all Members of the Association.

In case of resignation of the Chairperson of a Committee or of the Legal & Regulatory Group, an Assembly meeting should be called within two months in view of a decision on replacement.

The replacement shall assume the functions of the resigning Chairperson until the expiry of the term of office of the outgoing Chairperson.

## **Article 23. - Resignation of the Vice-Chairpersons of the Committees and of the Legal & Regulatory Group**

The Vice-Chairperson of a Committee and of the Legal & Regulatory Group may submit his resignation to the Chairperson of the Committee concerned or of the Legal & Regulatory Group. The

Chairperson of the Committee concerned or of the Legal & Regulatory Group shall circulate a copy of the notice to all members of the Committee concerned or of the Legal & Regulatory Group.

In case of resignation of the Vice-Chairperson of a Committee or of the Legal & Regulatory Group, a meeting of the Committee concerned or of the Legal & Regulatory Group should be called within two months in view of a decision on replacement.

The replacement shall assume the functions of the resigning Vice-Chairperson until the expiry of the term of office of the outgoing Vice-Chairperson.

## **TITLE VI - Committees, Legal & Regulatory Group, Regional Groups and Working Groups**

### **Article 24. - Committees**

In accordance with Article 15 of the Articles of Association, four Committees are established: the System Development Committee, the Operations Committee, the Market Committee and the Research & Development Committee. Their broad scope of activities will be as follows, but may evolve over time as stipulated their respective Terms of Reference and Work Programmes.

#### **(a) System Development Committee:**

The System Development Committee is in charge of the TSO cooperation regarding the network development and planning.

The main objective of the activities of the Committee is to contribute to the transmission system adequacy and security planning by preparing the ENTSO-E 10 Year Network Development Statement including generation adequacy outlook. The Committee activities aim at an adequate European grid for the purposes of a well-functioning European electricity market and, from the planning point of view, aim at a high standard of interoperability, reliability and security of the European Networks. The Committee introduces technical rules or standards related to the planning of transmission systems and new technical concepts within its R&D-activities, and facilitates information about efficient asset management, system technology and critical infrastructure protection. For these purposes, the Committee may prepare system studies, investigate and develop long- and medium-term system extension strategies and manage system development data collation relevant to the Committee's activities.

#### **(b) System Operations Committee:**

The System Operations Committee is in charge of technical and operational cooperation of the TSOs.

The objective of the Committee is to contribute to ensuring and maintaining a high standard of operability, reliability and security of the European Networks. It introduces technical rules or standards related to the operation of transmission system and reports on how these rules and standards have been implemented. The Committee introduces new technical concepts for operation and aims at coherence and harmonization in operational issues between regions. It will deliver

accurate, relevant and fast information for all stakeholders about power system operation and emergencies.

(c) Market Committee:

The Market Committee is in charge of the TSO cooperation in market-related issues.

The objective of the Committee is to facilitate a well-functioning European electricity market by contributing to market design and network-related market rules from the TSO perspective. It aims at integrating the views of market participants and all stakeholders into its activities.

The Committee promotes efficient market mechanisms covering long-term, day-ahead, intraday and balancing markets and system services. For these purposes, the Committee may initiate studies on relevant areas such as market structure and congestion management issues, economic framework for TSOs and transparency policies. Market integration of renewable energy sources and decentralised generation is also included in focus areas in close collaboration with other Committees.

(d) Research & Development Committee:

The Research & Development Committee is in charge of the TSO cooperation in research and development issues.

The objective of the Committee is to define appropriate activities to ensure:

- the cross functional role of coordination within Research & Development activities in all EU related subjects in relation with the TSO business, i.e. system operations, facilitation of electricity markets, transmission grid development;
- the delivery of common TSO positions in relation to the abovementioned areas of Research & Development;
- the close cooperation between all Committees in order to ensure that the Committees are informed on a regular basis, that the relevant expertise from the Committees is taken into account and that their input can be integrated appropriately in the Research & Development work.

All the Committees will aim at accurate and timely market-related information about their activities to all stakeholders.

## **Article 25. - The Committees: Notices - Agenda - Supporting Documents - Minutes and Resolutions**

Notices of a meeting of a Committee, specifying time and place of the meeting, shall be given by the Secretariat at the request of the Chairperson of the Committee concerned, together with the agenda, at least one week before the meeting.

The agenda shall indicate those items which are submitted for information or for decision.

Each item of the Agenda should have supporting documents attached. Those documents shall be made available to each Member's representative in the Committee concerned (including by electronic means) at least one week before the meeting.

The Secretariat shall prepare a set of draft minutes. These draft minutes shall be made available to the Members' representatives in the Committee, not later than one week after the meeting. After approval by the Committee and signature by the Chairperson and the Vice-Chairperson of the Committee (at the latest by the next meeting), the Secretariat of the Association shall keep the original copy of the minutes and copies shall be made available to the President, to the members of the Board and to the Members' representatives in the Committee.

In deviation to the preceding paragraph, whenever a Committee takes decisions on issues delegated to the Committee concerned by the Assembly, the Secretary-General will prepare, before the closing of the Committee meeting, a set of minutes comprising the agenda, the list of Members' (substitute) representatives present, the documents which were submitted for approval (the case being as amended by the Committee) and the resolutions adopted by the Committee. These minutes shall be approved by the Committee in session and signed by the Chairperson and the Vice-Chairperson of the Committee concerned. The Secretariat shall be responsible for the distribution of the copies to the President, to the members of the Board and to the Members' representatives in the Committee concerned within one week of the meeting. The original copy of the minutes shall be kept by the Secretariat.

#### **Article 26. - The Legal & Regulatory Group: Notices - Agenda - Supporting Documents - Minutes and Resolutions**

Notices of a meeting of the Legal & Regulatory Group, specifying time and place of the meeting, shall be given by the Secretariat at the request of the Chairperson of the Legal & Regulatory Group, together with the agenda, at least one week before the meeting.

The agenda shall indicate those items which are submitted for information or for decision.

Each item of the Agenda should have supporting documents attached. Those documents shall be made available to each Member's representative in the Legal & Regulatory Group (including by electronic means) at least one week before the meeting.

The Secretariat shall prepare a set of draft minutes. These draft minutes shall be made available to the Members' representatives in the Legal & Regulatory Group, not later than one week after the meeting. After approval by the Legal & Regulatory Group and signature by the Chairperson and the Vice-Chairperson of the Legal & Regulatory Group (at the latest by the next meeting) the Secretariat of the Association shall keep the original copy of the minutes and copies shall be made available to the President, to the members of the Board and to the Members' representatives in the Legal & Regulatory Group.

#### **Article 27. - The establishment of Regional Groups**

Under each Committee Regional and Voluntary Regional Groups can be established in accordance with Article 17 of the Articles of Association. The regional structure of the Association shall be flexible so that regions can be different under different Committees and regions may change over



time, to contribute to developments in market design, grid development infrastructure and regulatory/governmental initiatives towards pan-European integration.

At the establishment of the Association the following Regional Groups will be set up:

- Under the System Development Committee:

- North Sea;
- Baltic Sea;
- Continental South West;
- Continental South East;
- Continental Central South;
- Continental Central East.

- Under the System Operations Committee:

- Continental Europe;
- Nordic;
- Baltic;
- UK;
- Ireland.

- Under the Market Committee: for the regional cooperation on market issues the Regional Groups will be established at a later stage.

Regional Groups that are established under the same or under different Committees shall promote, where useful, their mutual cooperation on a horizontal basis.

In the cases where system development projects involve changes in the perimeter of the synchronous areas, these decisions shall be taken jointly by the relevant Regional Groups under the System Operations Committee and the System Development Committee. The relevant synchronous area Regional Group under the System Operations Committee shall be responsible for leading the negotiations with the TSO or TSOs seeking synchronous interconnection.

#### **Article 28. - The Regional Groups: Notices - Agenda - Supporting Documents - Minutes and Resolutions**

Notices of a meeting of the Regional Groups, specifying time and place of the meeting, shall be given either by the Secretariat at the request of the Convenor of the Regional Group concerned or by the Convenor of the Regional Group concerned (with a copy to the Secretariat), together with the agenda, at least one week before the meeting.

The agenda shall indicate those items which are submitted for information or for decision.

Each item of the Agenda should have supporting documents attached. Those documents shall be made available to each member of the Regional Group concerned (including by electronic means) at least one week before the meeting.

The Secretariat at the request of the Convenor of the Regional Group concerned or the Convenor of the Regional Group concerned shall prepare a set of draft minutes. These draft minutes shall be made available to the members of the Regional Group concerned, not later than one week after the

meeting. After approval by the Regional Group concerned and signature by the Convenor and the Secretary-General (at the latest by the next meeting) the Secretariat of the Association shall keep the original copy of the minutes and copies shall be made available to the members of the Regional Group concerned and to the members of the Committee under which it has been established.

#### **Article 29. - The Working Groups: Functions and operational rules**

So as to achieve its objects, each of the Committees can establish Working Groups to study specific subjects and make proposals to the establishing Committee.

A Working Group shall operate in accordance with its terms of reference, which shall be stipulated by the Committee establishing the Working Group concerned and which shall include, among others:

- the name of the Convenor;
- the mission statement, to be reconfirmed at least every two years;
- the tasks to be performed;
- the timetables for the activities, within a term not exceeding two years; and
- the submissions to be made to the Committees.

The number of members of a Working Group shall in principle be limited to maximum ten persons.

The members of each Working Group are chosen on the basis of their personal expertise and interest in the tasks and with consideration given to the balance of the different countries covered by the Association.

The Working Groups shall report on their activities to the establishing Committee.

Working Group meetings shall be convened by the Convenor of the Working Group concerned according to the schedule required for the fulfilment of the Working Group's assignment.

#### **Article 30. - Availability of decisions of bodies of the Association on the Intranet**

All minutes of decisions of bodies of the Association will be made available on the Intranet of the Association.

### **TITLE VII - External communication and language**

#### **Article 31. - External communication of the Association**

Unless decided otherwise by the Assembly, the President will be responsible for all high level external communication of the Association. For practical reasons, the communication tasks can be shared, under the responsibility of the President, between the President, the Board and the Secretary-General, as best suits to each situation. The President can also delegate communication tasks to other specific persons to the extent this delegation is specific and limited in time.

The day-to-day external communication will be the responsibility of the Secretary-General.

Unless decided otherwise by the Assembly or unless in circumstances precisely defined by the Assembly, documents for external publication expressing a formal position of the Association on Transmission System Operator business interests, or affecting Transmission System Operator business interests, shall be approved by the Assembly prior to publication.

A list of documents for external publication shall be kept by the Secretariat.

All publications of the Association shall be drafted in English. The Secretariat shall be responsible for the supervision of the publication and circulation of documents.

### **Article 32. - Language**

The working language of the Association shall be English.

Meetings of the bodies of the Association shall be conducted in English except those meetings which must be conducted in French or Dutch as required by Belgian Law and of which an English translation will be made available. Participants taking part in the meetings may also use a language other than English, provided they bear the cost for simultaneous interpretations.

All correspondence, e-mailing, documents, minutes etc. shall be in English, except those documents which must be in French or Dutch as required by Belgian Law, and of which English translations will be made available.

## **TITLE VIII - Finance**

### **Article 33. - Financing Budget**

In addition to the arrangements provided by Articles 19, 20 and 21 of the Articles of Association, the Secretary-General shall submit for approval to the Annual 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 before the date of the next annual Assembly.

The Secretary-General will monitor costs against budget and inform the Board about the financial situation of the Association.

In case of an unforeseen deficit, the Assembly may decide on advance payments to be made by the Members, in proportion to their annual contribution to the budget as approved by the Assembly pursuant to Article 19.2 of the Articles of Association.

The following expenses are excluded from the expenses of the Association:

- specific services rendered by the Association to Members or groups of Members, upon their demand and strictly respecting the purposes and the non profit-making nature of the Association,

which shall be paid by the Members or groups of Members concerned, except in case of approval by the Board;

- travel and accommodation costs related to meetings of the Association, which are borne by the attendees.

## **CHAPTER 2 - Processes**

The Association shall apply clearly defined working processes in the activities where standard procedures and specific requirements for timing, quality and transparency are essential. At the establishment of the Association these include the following processes:

- rule setting;
- consultation;
- compliance monitoring.

Each process shall be defined and described in detail in a separate Process Description Document to be approved by the Assembly.

## **CHAPTER 3 - Miscellaneous Provisions**

### **Article 34. - Official functions within the Association - Reserved to staff of TSOs**

All official functions within the Association where TSOs are represented (e.g. Assembly, Board, Committees, Legal & Regulatory Groups, Regional Groups, Working Groups) shall only be occupied by staff of the represented TSO's.

### **Article 35. - Confidentiality**

1. In accordance with the principles set forth in Article 12 of Directive 2003/54/EC (and, as from their entry into force, in the Articles 16 and 21 (9) of Directive 2009/72/EC), national legislation implementing the abovementioned provisions and/or other national or international legislation imposing specific confidentiality and non-disclosure obligations, no Member or Observer (or its (substitute) Representative) of the Association will use any confidential information obtained by it (the "Recipient") through membership or observership of the Association for any purpose save as strictly required by its obligations set forth in Article 9d of Directive 2003/54/EC (and, as from its entry into force, in Article 12 (e) of Directive 2009/72/EC), 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 and Observers of the Association will 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:

1. all information relating to users of the electricity network systems, which is commercial in nature and, if disclosed, is likely to influence market conditions;

2. all information clearly marked as "confidential" provided that the person conveying the information can validly justify in writing on request by the other party the reasons why the information must be treated as confidential;

and excludes information which:

1. is the public domain other than by reason of breach of this clause;
2. is already lawfully in the possession of the Recipient prior to its receipt from the disclosing party;  
or
3. the Recipient is required to disclose under any Law, court order or order of authorities.

Any Member or Observer, 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 or Observer 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 36. - Co-operation with other Organisations and Institutions**

Without prejudice to Article 3 of the Articles of Association and taking into account the requirements of applicable legislation 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.

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 outwith the IEM.

### **Article 37. - Adherence**

By accepting membership of the Association, each Member accepts the Articles of Association and the Internal Regulations of the Association.

Further, the Members undertake 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.

If a 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 legislation, issue the Member

with a written warning and/or exclude the Member with immediate effect in accordance with Article 9 of the Articles of Association.

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