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# INTERNAL REGULATIONS

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## **TITLE 1 - Governance**

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

#### **Article 1. : Introduction**

1. In accordance with Article 27 of the Articles of Association, these Internal Regulations define practical and technical matters and procedures governing the operations of the Association.
2. Should there be a difference in interpretation between the Articles of Association and the Internal Regulations, the former shall prevail.
3. Once approved by the Assembly of the Association, the Internal Regulations shall take effect. Each Member, Associated Member and Observer Member shall be responsible for compliance with these Internal Regulations.
4. Unless otherwise specified, words and expressions used herein shall have the same meanings as in the Articles of Association.

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

#### **Article 2. : 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 8, and 9 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 3. : Resignation of Members, Associated Members and Observer Members**

1. The resignation of a Member, Associated Member or Observer Member of the Association shall be notified to the President by registered letter or by bearer with reception receipt.
2. 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. 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 4. : Suspension of participation and/or voting rights - Exclusion**

1. When (a) Member(s) representing at least twenty percent of the total population as mentioned in Table 1 of Article 15(6) of the Articles of Association or a group of three Members from at least three different countries is (are) of the view that:
  - a) 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 the Legal and Regulatory Group, the Regional Groups, the working groups, task forces and/or the Committees should be suspended, in whole or in part, for a period of time, and/or
  - b) the voting rights of a Member in the Assembly should be suspended, in whole or in part, for a period of time, or
  - c) a Member, an Associated Member or an Observer Member should be excluded from the Association,
 on material default grounds (as mentioned in Article 12(1) of the Articles of Association), or because that Member is refused the designation as a TSO in compliance with Regulation (EC) N° 714/2009 and/or Directive 2009/72/EC and/or any treaty or agreement between the EU and the non EU country relating to the aforementioned Regulation (EC) N°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 12(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 (EC) N°714/2009 and/or Directive 2009/72/EC and/or any treaty or agreement between the EU and the non EU country relating to the aforementioned Regulation (EC) N°714/2009 and/or Directive 2009/72/EC (as mentioned in Article 12(3) of the Articles of Association), such Member(s) can submit a written notification to this effect to the President.

2. 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.
3. 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 and (ii) any legal constraints which may exist in respect of exclusion of TSOs, Members of the Association.

### **CHAPTER III - The Assembly**

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

1. In accordance with the provisions of Article 15(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.
2. The appointment shall take effect on receipt of such notice.
3. 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 15(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**

1. In accordance with the provisions of Article 15(4) of the Articles of Association, each Member may send one additional representative to attend the Assembly meetings.
2. 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.

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## **Article 7. : Notices**

1. 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, 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 shall have the possibility to deliver the notices to each Member by e-mail, at least two weeks before the meeting.
2. If the meeting is requested by Member(s) representing at least twenty percent of the total population mentioned in Table 1 of Article 15(6) of the Articles of Association or by a group of three Members from at least three different countries, in accordance with Article 15(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 15(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 Article 8(1) 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 15(7) of the Articles of Association.
3. If the meeting is requested by the Chairperson of the Board pursuant to Article 16(9) 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**

1. 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.

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

3. Those documents shall be made available to each Member (including by electronic means) at least two weeks before the meeting.

### **Article 9. : Minutes and Decisions**

1. Before the closing of an Assembly meeting, the Secretary-General shall 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 decisions adopted by the Assembly.
2. These minutes shall be approved by the Assembly in session and signed by the President and the Secretary-General.
3. 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**

1. 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.
2. 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.
3. Apart from the Annual Assembly, Assembly meetings shall be held whenever needed, in accordance with the provisions of Article 15(5) of the Articles of Association. To the extent useful, the Association shall work towards organising on average four Assembly meetings per year (the Annual Assembly meeting included).

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



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1. 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 shall be de-encrypted simultaneously).
  2. The time required for the due process is fixed by the President of the Association and it shall be at least two weeks.
  3. 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.

#### **Article 12. : 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 16(10), Article 18(9) and Article 19(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 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 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 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.

### **CHAPTER IV - Board**

#### **Article 13. : The Board: Notices - Agenda - Supporting documents - Minutes and Decisions**

1. 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.

2. The agenda shall indicate those items which are submitted for information or for decision. Where deemed appropriate by the Chairperson, a written proposal for decision 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.

3. The Secretary-General shall prepare a set of 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 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.
4. 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.
5. Without prejudice to the foregoing, the decisions taken by the Board shall be notified 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.
6. Any decision of the Board shall only become final if such decision has not been escalated to the Assembly in accordance with Article 12.

#### **Article 14. : Written voting procedure**

1. The Chairperson of the Board may set up a written procedure for decision making by the Board, 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 shall be de-encrypted simultaneously).
2. The time required for the due process is fixed by the Chairperson of the Board and it shall be at least one week, except in case of emergency.
3. 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.

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**Article 15. : Escalation process**

1. Any Committee or Legal and Regulatory Group decision which raises a Cross Committee Implication Concern can be escalated to the Board within four Business Days as from the day of the notification of the Committee or Legal and Regulatory Group decision (in accordance with Article 18(9) and Article 19(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.
2. The request, comprising a brief overview of the grounds on which the decision raises a Cross Committee Implication Concern, shall be notified in writing to the Chairperson of the Board and 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 16. : Resources committee**

1. The Board shall be supported by a sub-group called resources committee. The resource committee shall be in charge of overseeing the financial reporting and disclosure and of ensuring to the Board that the human and financial resources are efficiently used in line with the strategy of the Association. The resources committee is composed of members of the Board. In addition, the resources committee shall be assisted by a financial expert of a Member with the expertise deemed necessary to allow the resources committee to perform its responsibilities.
2. The resources committee is governed by its terms of reference which are approved by the Board and may be adapted by the Board according to the needs.

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## CHAPTER V - Elections and Resignations

### Article 17. : 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.

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.

### Article 18. : 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 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.
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 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.

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 48.

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 16(9) of the Articles of Association.
5. The elections shall be by secret ballot, except: (i) if there is only one candidate for the 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 shall be organized as follows:

- a) each Member participating in the vote shall receive one voting form;
  - b) the voting forms shall 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;
  - 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.
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 19. : 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 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.

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 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.

Candidates for this position shall be chosen amongst the Representatives and the substitute Representatives of Members in the Assembly, who are Employees in the top management of a Member and who do not have conflict of interest as foreseen in Article 48.

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 16(2) of the Articles of Association. Following the appointment of the President, the Assembly shall appoint the Chairperson following the same voting procedure as for the appointment of the President in accordance with Article 18(6).
5. The elections shall be by secret ballot, except: (i) if there is only one candidate for the 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 shall be organized in accordance with Article 18(5).

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

## **Article 20. : 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 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.

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 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.

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 48.

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 19(11) and 20(7) of the Articles of Association. The Assembly shall appoint the Chairpersons of the Committees (in the order mentioned in Article 18(1) of the Articles of Association) and of the Legal and Regulatory Group, following the same voting procedure as for the appointment of the President in accordance with Article 18(6).
5. 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 shall be organized in accordance with Article 18(5).

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 21. : 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 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.

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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 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.

Candidates for these positions shall be chosen amongst the Representatives and the substitute Representatives of Members in the Assembly, who are Employees in the top management of a Member and who do not have conflict of interest as foreseen in Article 48, and taking into account a fair geographical representation among the persons nominated as well as the contributions to the ENTSO-E work done under the candidate's leadership.

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 16(1) of the Articles of Association..
5. 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 shall be organized in accordance with Article 18(5).

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 organised 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 22. : 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 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.
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 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.

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 48.

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. Following the appointment of the other members of the Board, the Assembly shall appoint the Vice-President following the same voting procedure as for the appointment of the President in accordance with Article 18(6).
5. The elections shall be by secret ballot, except (i) if there is only one candidate for the 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 shall be organized in accordance with Article 18(5).

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 23. : 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 17(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.
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 24. : 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) headhunting by an European executive search firm, selection of which shall be made by the Board; and
  - c) 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 25. - Election of the Vice-Chairpersons of the Committees and of the Legal and Regulatory Group**

1. Nominations for the Vice-Chairpersonship of a Committee and of the Legal and Regulatory Group shall be submitted by the members of the Committee concerned and of the Legal and Regulatory Group to the Chairperson of the Committee concerned or of the Legal and Regulatory Group at least one month in advance of the election date, and shall include a brief résumé and a motivation letter of the candidate. The aforementioned nominations, résumés and motivation letters of the candidates concerned shall be circulated by the Chairperson to all members of the Committee concerned or of the Legal and Regulatory Group.
2. Candidates for these positions shall be chosen amongst the members of the Committee concerned or of the Legal and Regulatory Group. Candidates for these positions shall (i) be Employees holding a senior position in the Member concerned; (ii) have adequate qualifications and experiences, taking into account the specific tasks of the Committee concerned; and (iii) not have conflict of interest as foreseen in Article 48.
3. The election shall take place at the last meeting of the Committee concerned or of the Legal and Regulatory Group to be held during the term of office of the outgoing Vice-Chairpersons of the Committees and of the Legal and Regulatory Group, in accordance with Articles 19(12) and 20(8) of the Articles of Association.
4. The elections shall be by secret ballot, except: (i) if there is only one candidate for each vacant mandate; or (ii) if the Committee concerned or the Legal and Regulatory Group, by simple majority, decides to deviate from the principle of a secret ballot.
5. If no candidate for one of these Vice-Chairpersonships 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.
6. The newly appointed Vice-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 Vice-Chairpersons.

**Article 26. : Election of a Convenor of a Working Group, a (Voluntary) Regional Group, a Task Force and an Expert Group**

1. Nominations for the position of Convenor of any working group, (Voluntary) Regional Group, task force, Expert Group shall be submitted by the members of the group concerned or by the members of the Committee concerned or the Legal and Regulatory Group respectively to the Chairperson of the Committee concerned or of the Legal and Regulatory Group or, in case of an Expert Group to the Chair of the Board at least one month in advance of the election date, and shall include a brief résumé and a motivation letter of the candidate. The aforementioned nominations, résumés and motivation letters of the candidates concerned shall be circulated by the Chairperson or the Chair of the Board as the case may be to:
  - a) all members of the Committee concerned or of the Legal and Regulatory Group in case of a working group or a task force;
  - b) all members of the group concerned in case of a (Voluntary) Regional Group; and

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- c) all members of the Board in case of an Expert Group.
2. The election shall take place:
    - a) for a position of Convenor of a working group or a task force, at the last meeting of the Committee concerned or of the Legal and Regulatory Group to be held during the term of office of the outgoing Convenor;
    - b) for a position of Convenor of a (Voluntary) Regional Group at the last meeting of the (Voluntary) Regional Group to be held during the term of office of the outgoing Convenor; or
    - c) for the position of Convenor of an Expert Group at the last meeting of the Board to be held during the term of office of the outgoing Convenor.

The Convenor shall be appointed for a term of two years. In the event that the interest of the Association requires it, the Convenor may be reappointed for one more term of two years (with a limitation to two successive mandates). Articles 18(12), third paragraph and following of the Articles of Association apply by analogy.

3. The elections shall be by secret ballot, except: (i) if there is only one candidate for each vacant mandate; or (ii) if the Committee concerned, the Legal and Regulatory Group, the relevant Group or the Board, as the case may be, by simple majority, decides to deviate from the principle of a secret ballot.
4. If no candidate for the position 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 Convenor shall enter in office on the date of expiry of the term of office of the outgoing Convenor.

### **Article 27. : Resignation of the President and the Vice-President**

1. 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 the nomination advisory committee and to the Representatives of all the Members of the Association.
2. In case of resignation of the President or the Vice-President of the Association, 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.
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.

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**Article 28. : 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 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 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.
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.

**Article 29. : 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 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 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, 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.
3. The replacement shall assume the functions of the resigning Chairperson until the expiry of the term of office of the outgoing Chairperson.

**Article 30. : Resignation of the Vice-Chairperson of the Board**

1. The Vice-Chairperson of the Board may submit 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.
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.

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**Article 31. : Resignation of the Vice-Chairpersons of the Committees and of the Legal and Regulatory Group**

1. The Vice-Chairperson of a Committee and of the Legal and Regulatory Group may submit his resignation to the Chairperson of the Committee concerned or of the Legal and Regulatory Group. The Chairperson of the Committee concerned or of the Legal and Regulatory Group shall circulate a copy of the notice to all the members of the Committee concerned or of the Legal and Regulatory Group.
2. In case of resignation of the Vice-Chairperson of a Committee or of the Legal and Regulatory Group, a meeting of the Committee concerned or of the Legal and Regulatory Group should be called within four months in view of a decision on replacement.
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.

**Article 32. : Resignation of a Convenor of a Working Group, a (Voluntary) Regional Group, a Task Force and an Expert Group**

1. The Convenor of a working group, a (Voluntary) Regional Group, a task force and an Expert Group may submit his resignation to, the Chairperson of the Committee concerned or of the Legal and Regulatory Group or the Chair of the Board in case of an Expert Group. The Chairperson of the Committee concerned or of the Legal and Regulatory Group or the Chair of the Board as the case may be shall circulate a copy of the notice to all the members of the Committee concerned or of the Legal and Regulatory Group in case of a working group or a task force, to all the members of the group in case of a (Voluntary) Regional Group, or to all Board members in case of an Expert Group.
2. In case of resignation, a meeting of the body competent for electing a new Convenor should be called within four months in view of a decision on replacement.
3. The replacement shall assume the functions of the resigning person until the expiry of the term of office of the outgoing person.

**CHAPTER VI - Committees, Legal and Regulatory Group, Regional Groups and Working Groups**

**Article 33. : Committees**

1. In accordance with Article 18 of the Articles of Association, four Committees are established: the System Development Committee, the System Operation Committee, the Market Committee and the Research and Development Committee. Their broad scope of activities shall be as follows, but may evolve over time as stipulated in their respective terms of reference and annual 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 Ten-Year Network Development Plan, including annual generation and network adequacy outlooks.

The Committee activities aim at an adequate European electricity transmission system 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:

- (i) prepare system studies;
- (ii) investigate and develop long- and medium-term system extension strategies, manage system development data collation relevant to the Committee's activities;
- (iii) elaborate network codes in line with the strategic intention as proposed by the Board, in cooperation with the Committee and after review by the Assembly, in the key policy issues paper referred to in Article 15(7) of the Articles of Association;
- (iv) adopt the ten-year network development plan, including a European generation adequacy outlook, in line with the strategic intention as proposed by the Board, in cooperation with the Committee and after review by the Assembly in the key policy issues paper referred to in Article 15(7) of the Articles of Association; and
- (v) adopt annual summer and winter generation adequacy outlooks.

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, prepares common network operational tools and aims at coherence and harmonization in operational issues between regions. It shall deliver accurate, relevant and fast information for all stakeholders about power system operation and emergencies.

For these purposes, the Committee may:

- (i) elaborate network codes in line with the strategic intention as proposed by the Board, in cooperation with the Committee and after review by the Assembly, in the key policy issues paper referred to in Article 15(7) of the Articles of Association; and

- (ii) adopt common network operation tools to ensure coordination of network operation in normal and emergency conditions, including a common incidents classification scale.

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.

For these purposes, the Committee may:

- (i) elaborate network codes in line with the strategic intention as proposed by the Board, in cooperation with the Committee and after review by the Assembly, in the key policy issues paper referred to in Article 15(7) of the Articles of Association;
- (ii) administrate the Inter-TSO compensation (ITC) fund and the various tasks as foreseen in the ITC clearing and settlement multi-year agreement; and
- (iii) develop and update a manual of procedure for the operation of a central information transparency platform.

d) Research and Development Committee:

The Research and 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:

- (i) the cross functional role of coordination within Research and Development activities in all EU related subjects in relation with the TSO business, i.e. system operations, facilitation of electricity markets, transmission system development;
- (ii) the delivery of common TSO positions in relation to the abovementioned areas of Research and Development; and
- (iii) 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 and Development work.

For these purposes, the Committee may:

- (i) adopt research plans; and



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- (ii) elaborate network codes in line with the strategic intention as proposed by the Board, in cooperation with the Committee and after review by the Assembly in the key policy issues paper referred to in Article 15(7) of the Articles of Association.
2. All the Committees shall aim at accurate and timely market-related information about their activities to all stakeholders.

**Article 34. : The Committees: Notices - Agenda - Supporting Documents - Written voting procedure - Minutes and Decisions**

1. 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.
2. 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.

3. The Chairperson of a Committee may set up a written procedure for decision making by the Committee concerned, via voting by electronic means. The electronic voting system shall consist of each Members' representative in the Committee concerned 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 time required for the due process is fixed by the Chairperson of the Committee concerned and it shall be at least one week, except in case of emergency.

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

4. 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 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.
5. In deviation to the preceding paragraph, whenever a Committee takes decisions on issues delegated to the Committee concerned by the Assembly, the Secretary-General shall 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 decisions 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.

6. Without prejudice to the foregoing, the decisions taken by a Committee shall be notified by the Secretariat to the Representatives of all the 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.
7. 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 12 and Article 15.

**Article 35. : The Legal and Regulatory Group: Notices - Agenda - Supporting Documents – Written voting procedure - Minutes and Decisions**

1. Notices of a meeting of the Legal and Regulatory Group, specifying time and place of the meeting, shall be given by the Secretariat at the request of the Chairperson of the Legal and Regulatory Group, together with the agenda, at least one week before the meeting.
2. 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 and Regulatory Group (including by electronic means) at least one week before the meeting.

3. The Chairperson of the Legal and Regulatory Group may set up a written procedure for decision making by the Legal and Regulatory Group, via voting by electronic means. The electronic voting system shall consist of each Members' representative in the Legal and Regulatory Group 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 time required for the due process is fixed by the Chairperson of the Legal and Regulatory Group and it shall be at least one week, except in case of emergency.

The majorities needed for decisions taken by a written procedure are the same as for decisions taken by a Legal and Regulatory Group meeting which is held physically.

4. The Secretariat shall prepare a set of draft minutes. These draft minutes shall be made available to the Members' representatives in the Legal and Regulatory Group, not later than one week after the meeting. After approval by the Legal and Regulatory Group and signature by the Chairperson and the Vice-Chairperson of the Legal and Regulatory Group (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 President, to the members of the Board and to the Members' representatives in the Legal and Regulatory Group.

5. The decisions taken by the Legal and Regulatory Group shall be notified by the Secretariat to the Representatives of all the 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.
6. 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 12 and Article 15.

### **Article 36. : The establishment of Regional Groups**

1. Under each Committee Regional and Voluntary Regional Groups can be established in accordance with Article 20 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, transmission system infrastructure development and regulatory/governmental initiatives towards pan-European integration.
2. The following Regional Groups are established:
  - a) Under the System Development Committee:
    - (i) North Sea;
    - (ii) Baltic Sea;
    - (iii) Continental South West;
    - (iv) Continental South East;
    - (v) Continental Central South; and
    - (vi) Continental Central East.
  - b) Under the System Operations Committee:
    - (i) Continental Europe;
    - (ii) Nordic;
    - (iii) Baltic;
    - (iv) UK; and
    - (v) Ireland.
  - c) Under the Market Committee:
    - (i) Baltic Sea;
    - (ii) North West;
    - (iii) South East Europe; and
    - (iv) South West Europe.
3. Regional Groups that are established under the same or under different Committees shall promote, where useful, their mutual cooperation on a horizontal basis.
4. 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 37. : The Regional Groups: Notices - Agenda - Supporting Documents - Minutes and Decisions**

1. 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.
2. 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.

3. 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 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 38. : The Working Groups: Functions and operational rules**

1. To achieve its objects, each of the Committees can establish temporary working groups to study specific subjects and make proposals to the establishing Committee.
  - a) 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 mission statement, to be reconfirmed at least every two years;
  - b) the tasks to be performed;
  - c) the timetables for the activities, within a term not exceeding two years; and
  - d) the submissions to be made to the Committees.
2. The number of members of a working group shall in principle be limited to maximum ten persons.
3. 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.
4. The working groups shall report on their activities to the establishing Committee.

5. 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 39. : Availability of decisions of bodies of the Association on the extranet**

All minutes of decisions of bodies of the Association shall be made available on the extranet of the Association.

**CHAPTER VII - External communication and language**

**Article 40. : External communication of the Association**

1. Unless decided otherwise by the Assembly, the President shall 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 that this delegation is specific and limited in time.
2. The day-to-day external communication shall be the responsibility of the Secretary-General.
3. A list of documents for external publication shall be kept by the Secretariat.
4. 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 41. : Language**

1. The working language of the Association shall be English.
2. Meetings of the bodies of the Association shall be conducted in English except those meetings which shall be conducted in French or Dutch as required by Belgian Law and of which an English translation shall 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.
3. All correspondence, e-mailing, documents, minutes etc. shall be in English, except those documents which shall be in French or Dutch as required by Belgian Law, and of which English translations shall be made available.

**CHAPTER VIII - Finance**

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**Article 42. : Financing Budget**

1. In addition to the arrangements provided by Articles 22, 23 and 24 of the Articles of Association, the Secretary-General shall submit for approval to the Assembly the following budget data:
  - a) for the previous financial year, a comparison between the budgeted and the final accounts;
  - b) for the current financial year, the budget, serving as basis for the calculation of monies to be paid;
  - c) for the following financial year, a preliminary budget, serving as basis for the monies, if any, to be paid for the following year.
2. The Secretary-General shall monitor costs against budget and inform the Board about the financial situation of the Association.
3. 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 22(2) of the Articles of Association.
4. The following expenses are excluded from the expenses of the Association:
  - a) 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;
  - b) travel and accommodation costs related to meetings of the Association, which are borne by the attendees.

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## TITLE 2 - Processes

### Article 43. : Processes

1. 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:
  - a) rule setting;
  - b) consultation; and
  - c) compliance monitoring.
2. Each process shall be defined and described in detail in a separate Process Description Document to be approved by the Assembly.

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## TITLE 3 - Miscellaneous Provisions

### Article 44. : 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 45. : Transparency and Confidentiality

1. Within the general context of transparency between the TSOs and in accordance with the principles set forth in 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, 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 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, 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 obligations 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 legislation of the European Union or in accordance with any piece of national legislation 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 46. : Co-operation with other Organisations and Institutions**

1. Without prejudice to Article 4 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.
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 47. : 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. 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.
3. 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 legislation, 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 12 of the Articles of Association.

4. 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.

#### **Article 48. : Transparency Register**

1. The Secretariat keeps a Transparency Register at the registered office of the Association.
2. This Transparency Register lists the names of and the offices held in any legal persons, including in the Members, other than the Association by:
  - a) the (Vice-)President of the Association;
  - b) the Chairperson of the Board;
  - c) the members of the Board (including the Vice-Chairperson of the Board);
  - d) the (Vice-)Chairpersons of the Committees; and
  - e) the (Vice-)Chairpersons of the Legal and Regulatory Group, (hereinafter jointly referred to as the “Holders of an official function within the Association” or each individually as a “Holder of an official function within the Association”).
3. In order to examine whether a candidate for a position of Holder of an official function within the Association or an existing Holder of an official function within the Association qualifies in terms of the required criteria contained in these Internal Regulations and to verify whether (an appearance of) a (potential) conflict of interest situation in the meaning of Article 48 of the Internal Regulations occurs, (candidate) Holders of an official function within the Association shall:
  - a) prior to any appointment as Holder of an official function within the Association, regardless of whether the appointment of a new Holder of an official function within the Association or the re-election of an existing Holder of an official function within the Association is concerned, provide the Secretary-General with a list of the offices that they hold in legal persons, including in the Members, other than the Association;
  - b) give notice to the Secretary-General of new offices that they take up in legal persons, including in the Members, or any change that occurs with respect to the offices that they hold in legal persons, including in the Members, other than the Association.
4. In addition, the persons participating in accordance with Article 44 of the Internal Regulations in a working group or any task force on behalf of a member but who are not an Employee of a Member shall:
  - a) prior to any appointment in a working group or task force proceed to their registration in the Transparency Register and provide the Secretary-General with a list of the offices that they hold in legal persons, including in the Members, other than the Association;
  - b) give notice to the Secretary-General of new offices that they take up in legal persons, including in the Members, or any change that occurs with respect to the offices that they hold in legal persons, including in the Members, other than the Association.

5. The Members and their (substitute) Representative, as well as the Holders of an official function within the Association may consult this Transparency Register at the registered office of the Association.