

European Partnership for Energy and the Environment (EPEE)
Association internationale sans but lucratif

By-laws

TITLE I – NAME, FORM, DURATION, REGISTERED OFFICE, PURPOSE, ACTIVITIES AND DEFINITIONS

Article 1 – Name, Form and Duration

The name of the association is “European Partnership for Energy and the Environment”, abbreviated “EPEE.” The association shall hereinafter be referred to as “the Association” or “EPEE”.

EPEE is an international non-profit association governed by

- (a) the provisions of Title III of the Belgian law of 27 June 1921 on non-profit associations, international non-profit associations and foundations, as from to time amended,
- (b) these By-laws, and
- (c) the Internal Rules of EPEE.

The Association is formed for an indefinite period.

Article 2 – Registered office

The Association’s registered office shall be located at Rue de Luxembourg 14A, Brussels B-1000 Belgium.

It may be transferred to any other location in the Brussels conurbation by a decision of the Steering Committee, to be deposited in the Association’s file and published in the Annexes of the *Moniteur belge* within one month following such decision.

Article 3 – Purpose and activities

The Association’s purpose shall be to serve society by protecting and advocating the interests of the Heating, Ventilation, Air-Conditioning, and commercial and industrial Refrigeration (HVACR) Industry while protecting the environment.

To that effect, the Association shall have the right to exercise, alone or in collaboration with third parties, directly or indirectly, all activities related to its purpose. The Association shall in particular develop the following activities:

- (a) promote, facilitate and contribute to research for possible solutions of any problems of interest to the HVACR Industry in the widest possible sense

- (including but not limited to the research in the field of refrigerants and their impact on energy use and the environment), in particular those of a scientific, technical, documentary and institutional nature;
- (b) issue, promote and contribute to statements and opinions on HVACR Industry issues to national, European and international governmental bodies and institutions;
 - (c) promote, facilitate and contribute in the formulation, adoption and implementation of European and, where appropriate, international policy, regulation, legislation and other initiatives which are relevant to or affect the HVACR Industry;
 - (d) promote, facilitate and contribute to the improvement of the communication, cooperation and exchange of information amongst its members as so far this is not in contradiction with the European Competition Law;
 - (e) represent the HVACR Industry before the European Union, the member states of the European Union, and other national or international authorities, as well as the media and other organisations and institutions where relevant.

In carrying out these objectives, the Association will base itself on the principles of free enterprise, competition and fair trade in the European Union and throughout the world.

Article 4 – Definitions

- (a) "Manufacturer" means any corporation or firm which performs the functions (i) and either (ii) or (iii); or (i), (ii) and (iii) with respect to HVACR Product, or any components or refrigerants used in such products:
 - (i) producing, in whole or in part, or effecting some substantial physical or functional change in a HVACR product, including any substantial processing or assembling operation;
 - (ii) principal design of a HVACR product;
 - (iii) selling on a permanent basis a HVACR product under the corporation's or firm's own trade name.
- (b) "Annual Sales" means the annual volume, in euros, of sales within the European Union of all and any HVACR Products, f.o.b. point of manufacture, less returns and allowances. This includes all products delivered by the Manufacturer, except products which are manufactured outside the European Union and not sold within the European Union.
- (c) "Substantial Volume" means Annual Sales of HVACR Products within the European Union for a total value exceeding 100,000 Euros.

TITLE II – MEMBERS

Article 5 – Membership categories

The Association shall have the following membership categories:

(a) *Company Member*

- (i) Any Manufacturer having a Substantial Volume. Membership shall, subject to point (ii) below, include all divisions or branches of the entity.
- (ii) A subsidiary whose stock is owned in whole or part by another Manufacturer, which is operated and managed as a separate corporate entity, may, if otherwise eligible for membership under these By-laws, retain membership or be admitted to membership. Membership of a subsidiary Manufacturer shall not affect the right of the parent Manufacturer to retain or, if otherwise eligible for membership, to apply for admission to membership in its own name.

(b) *Associate Member*

- (i) Any non-profit legal entity whose primary members are manufacturers of HVACR Products and/or components used in such products, which are sold within the European Union.
- (ii) Any legal entity which sells HVACR Products and/or components or refrigerants used in such products in Substantial Volume within the European Union as a private brand marketer.

(c) *Supporting Partner*

- (i) Any legal entity that supports the Association's purpose and which does not fall under categories (a) or (b).

The rights and obligations of the Company Members, Associate Members and Supporting Partners (hereinafter referred to as "the Members") shall be as set forth in these By-laws and/or the Internal Rules. The Members of the Association shall be companies or associations legally constituted pursuant to the laws and customs of their country of origin.

Each Member is represented by one delegate ("Member representative").

Article 6 - Voting rights

Each Company Member shall have one vote.

Associate Members and Supporting Partners shall be non-voting members of the Association. They have the right to attend and participate in the General Assembly, meetings of the Association's Working Groups and Committees.

The Associate Members shall recommend to the General Assembly one or more candidates for the position of Director who represents the Associate Members under Article 18 of the By-laws.

Article 7 – Admission procedure

The applicant shall file completed application for admission with the Secretariat. The application shall be made by using the application form prepared by the Secretariat.

The Steering Committee shall decide whether or not to admit the applicant as a Member of the Association, and its membership category.

Membership is acquired following:

- (a) the decision of the Steering Committee to that effect, and
- (b) the payment of the applicable membership fee.

Article 8 – Resignation, Exclusion

Any Member can resign from the Association with immediate effect provided it has notified by means of a registered letter such resignation to the Director General.

Any Company Member who violates or is no longer in compliance with the provisions of these By-laws or the Internal Rules, or who acts in a way that is detrimental to the interest of the Association or its Members, may be excluded from the Association by the General Assembly upon recommendation of the Steering Committee and after having been heard by the General Assembly. The exclusion is notified by registered letter.

Any Associate Member or Supporting Partner who so acts, may be excluded from the Association by the Steering Committee. The exclusion is notified by registered letter.

A Member, who, in whatever way and for whatever reason, ceases to be a Member of the Association, shall, because of such cessation of membership, have no claim for compensation from the Association and shall have no claim on the Association's assets or funds. The applicable membership fees for the year in which the cessation of membership occurs remain due in full and payable to the Association.

TITLE III – ORGANISATIONAL STRUCTURES

Article 9 – Organisational structures

The organisational structures of the Association are:

- the General Assembly;
- the Steering Committee;
- the Executive Committee;
- the Business Committees;
- the Working Groups; and
- the Elected Officers.

They are assisted by the Director General and the Secretariat.

A. General Assembly

Article 10 – General Assembly

The General Assembly shall consist of all Company Members of the Association. Associate Members and Supporting Partners shall have the right to participate and attend as observers.

The General Assembly is the highest authority of the Association.

Subject to the powers granted to the other organisational structures, the Director General and the Secretariat by these By-laws, the General Assembly shall have all the powers to realize the Association's purpose. These powers include:

- (a) amend these By-laws;
- (b) dissolve the Association;
- (c) elect and dismiss the voting members of the Steering Committee (hereinafter the "Directors");
- (d) grant or refuse the discharge to the Directors;
- (e) approve annual budgets and accounts, and
- (f) decide on the appointment of an auditor.

Article 11 – Annual General Assembly

Each year the Steering Committee shall convene an annual General Assembly.

Article 12 – Extraordinary General Assembly

An extraordinary General Assembly shall be convened by the Steering Committee whenever required by the interests of the Association or upon request of two thirds of the Company Members.

Each Company Member shall have the right, by means of a written document, to be represented at a General Assembly by a proxy holder who is a Company Member of the Association.

Article 13 – Convocations, Agenda

Convocations for a General Assembly shall be mailed to the Members at least fifteen days in advance.

Convocations for a General Assembly which must decide on amendments to the By-laws or the dissolution of the Association shall be mailed to the Members at least one month in advance.

The convocations shall mention the agenda, the location, the date and the time of the General Assembly. The agenda shall contain any item submitted in writing to the Steering Committee by any Company Member within the period provided for in the convocation. No vote shall be taken regarding an item that is not listed on the agenda, unless all Company Members are present or represented and agree to such vote.

Each Member shall have the right, before, during, or after the General Assembly, to waive the convocation requirement. Any Member present or represented at a General Assembly shall be deemed to have been regularly convoked. If all Company Members are present or represented, justification of the convocations shall not be required.

Article 14 – Quorum, Votes

Unless otherwise provided by these By-laws, the General Assembly shall be validly constituted if more than half of the Company Members are present or represented. If this condition is not met, the Chairman shall call pursuant to Article 13 of these By-laws a second General Assembly, with the same agenda, which shall be validly constituted irrespective of the number of Company Members present or represented.

Unless otherwise provided by these By-laws, resolutions of the General Assembly shall be validly adopted if they obtain the majority of the votes of the Company Members present or represented. Abstentions shall not be counted.

Article 15 – Amendments to the By-laws: Quorums, Votes

The General Assembly shall be validly constituted to deliberate on amendments to the By-laws only if the object thereof is mentioned explicitly in the convocation and if two thirds of the Company Members are present or represented at the meeting.

If less than two thirds of the Company Members are present or represented, the Chairman shall convoke pursuant to Article 13 of these By-laws a second General Assembly, with the same agenda, which shall be validly constituted irrespective of the number of Company Members present or represented.

Any decision shall require a two thirds majority of the votes of the Company Members present or represented. Abstentions shall not be counted.

If applicable, amendments to the By-laws shall be effective only after approval by Royal Decree, to the extent required, and after compliance with the publicity requirements.

Article 16 – Procedure

The General Assembly shall be chaired by the Chairman or, in his absence, by the Vice-Chairman or, in his absence, the Director General, or in his absence, by any other person elected by the General Assembly pursuant to Article 14 of these By-laws.

The Director General or a person designated by him in accordance with Article 29 of these By-laws shall assure the secretariat of the General Assembly.

The chairman of the General Assembly shall grant speaking time, guide discussions, and see to it that the meeting runs its course.

An attendance list shall be signed by the attendees of the General Assembly. The list shall be attached to the minutes of the General Assembly.

The minutes shall be prepared by the Director General and shall be kept in a special register held at the registered or administrative office of the Association. Copies and excerpts of the minutes to be produced in court or elsewhere shall be signed by the chairman of the General Assembly or the Director General. The Director General shall send a copy of the minutes to all the Members of the Association.

Article 17 – Meeting via written procedure

In exceptional cases and when the urgency of the matter so requires, the General Assembly may make decisions by a written procedure. To that effect, the Director General, at the request of the Steering Committee and with the assistance of the Secretariat, shall send the proposed resolutions to all the Members. The communication shall be accompanied by a memorandum prepared by the Steering Committee setting forth the reasons which have led to the use of the written procedure, as well as the context of the proposed resolutions.

The proposed resolutions shall be deemed adopted, if within ten working days after having been sent, the number of duly completed written communications returned to the Director General, for the attention of the Steering Committee, by Company Members is sufficient to meet the quorum and voting requirements set forth in these By-laws.

B. Steering Committee

Article 18 – Composition

The Association shall be managed by a Steering Committee composed of nine (9) voting Directors and two (2) non-voting Directors.

Eight (8) voting Directors must be executive officers or other representatives from senior management of the Company Members and one (1) voting Director represents the Associate Members. To that end the Associate Members shall recommend one or more candidates to the General Assembly for this position.

The two (2) non-voting *ex officio* Directors are the Director General and a representative of the Air Conditioning and Refrigeration Institute (ARI), Arlington, Virginia, United States. The method of designation of these Directors shall be set forth in the Internal Rules.

The term of office of any Director shall be one year.

At the request of one or more Directors the Steering Committee may allow third parties to attend its meetings and assist in its deliberations; provided that such request for attendance is approved by an unanimous vote of all voting Directors, not taking into account the vote(s) of the requesting Director(s). Such third parties shall have no voting right.

Members of the Association who have issued a resignation notice pursuant to Article 8, first paragraph, of these By-laws or who have been excluded from the Association pursuant to Article 8, second paragraph, of these By-laws, shall no longer be entitled to representation on the Steering Committee. Their representatives shall be deemed to have automatically resigned from the Steering Committee.

In the event of the resignation or revocation of a Director, such Director shall be replaced by a new Director appointed by the Chairman for the time remaining and confirmed on the occasion of the next General Assembly.

Article 19 – Powers

The Steering Committee shall have the powers conferred upon it by these By-laws, including:

- (a) elect and dismiss, amongst the voting Directors, the Chairman, the Vice-Chairman and the Treasurer;
- (b) appoint and dismiss the Director General, the Secretary and the Assistant Treasurer(s) ;
- (c) set future priorities, adopt pro-active plans and final positions;
- (d) accept or reject new Members ;
- (e) exclude Associate Member or Supporting Partner in accordance with Article 8 of the By-laws ;
- (f) recommend to the General Assembly the exclusion of any Company Member in accordance with Article 8 of the By-laws ;
- (g) approve the organisation of and the arrangements regarding the Secretariat as proposed by the Director General ;
- (h) set up the Business Committees and the Working Groups, as from time to time deemed appropriate, and with the powers and tasks deemed appropriate;
- (i) adopt the Internal Rules;
- (j) prepare and file for approval by the General Assembly the annual budget and accounts;

- (k) be responsible for the management of the Association; and
- (l) determine the membership fees.

Article 20 – Procedure

The Steering Committee shall meet at least three times a year. It shall convene upon convocation by the Director General at the request of the Chairman, on its own initiative, or upon written request of at least two Directors. The Steering Committee shall be validly constituted when a majority of its voting Directors are present or represented. The resolutions of the Steering Committee shall be validly adopted if they obtain the affirmative vote of the majority of the voting Directors present or represented. In the event of a tie vote, the vote of the Chairman shall prevail.

Each Director shall have the right, by means of any written document, to be represented at a meeting by a proxy holder, who must be a Director.

The minutes of the Steering Committee shall be prepared by the Director General and shall be kept in a special register held at the registered or administrative office of the Association.

The Directors, which are not physically present or represented, may participate in the deliberations via any modern means of telecommunication that allow Directors to directly hear each other and directly speak to each other, such as a telephone or video conference. In such a case, the remote Directors shall be deemed present.

A dated document signed by all Directors and recorded or inserted in the register of minutes shall equal to a decision of the Steering Committee. Copies and excerpts of the minutes of the Steering Committee to be produced in court or elsewhere shall be signed by the Chairman or the Director General.

C. Executive Committee

Article 21 - Executive Committee

The Executive Committee is comprised of four (4) members, *i.e.* three voting Directors - the Chairman, the Vice Chairman, and the Treasurer - and one *ex officio* non-voting member - the Director General. The Executive Committee shall be chaired by the Chairman. In the event of the inability of any member of the Executive Committee to serve in the Executive Committee for any portion of his term for any reason, the Steering Committee may elect another Director to serve as a member of the Executive Committee in the place of the member unable to serve.

The Executive Committee shall be responsible for execution and implementation of the decisions and orientations taken by the Steering Committee.

D. Business Committees

Article 22 – Business Committees

The Steering Committee may set up and dissolve the following Business Committees:

- (a) Audit and Budget Committee ;
- (b) Compensation Committee ; and/or
- (c) Nomination Committee.

Article 23 - Audit and Budget Committee

The Audit and Budget Committee is comprised of three voting members: the Vice Chairman, the Treasurer, and one Member representative who is not an Officer or a Director of the Association. This Member representative is appointed by the Chairman. The Audit and Budget Committee shall be chaired by the Vice Chairman.

The Audit and Budget Committee is responsible for the preparation of the annual budget of the Association for the ensuing year and for reviewing and making recommendations to the Steering Committee regarding all of the Association's investments.

The Committee will cause to be audited by an external auditor, as of the close of each financial year, the books of the Treasurer of the Association and report to the Steering Committee the results of such audit.

Article 24 - Compensation Committee

The Compensation Committee is comprised of four voting members : the immediate past Chairman, the Chairman, the Vice Chairman, and the Treasurer. The Compensation Committee shall be chaired by the Chairman.

The Compensation Committee reviews and recommends the appointment of, sets the annual goals for, reviews the annual performance of, and approves the compensation of the Director General and Secretariat.

Article 25 - Nomination Committee

The Nomination Committee is comprised of four (4) members: i.e. three voting Directors - the immediate past Chairman, the Chairman and the Vice Chairman - and one *ex officio* non-voting member - the Director General. The Nomination Committee shall be chaired by the immediate past Chairman.

The duties of the Nomination Committee are to prepare a list of candidates as Directors and to recommend candidates to be appointed as Officers of the Association.

Article 26 – Quorum, Majority

Except as otherwise provided for in the By-laws or the Internal Rules, the quorum requirement for all committees shall be a majority of voting members.

The resolutions of all the committees shall be validly adopted if they obtain the affirmative vote of the majority of the voting members present or represented.

E. Working Groups

Article 27 – Working Groups

The Steering Committee may create and dissolve the following Working Groups:

- (a) Communication
- (b) Strategy Policy

The Chairman appoints and dismisses the members of the Working Groups. Unless otherwise specified by the Chairman, the term of office of the members of the Working Group shall be one year.

Working groups do any work within its particular field that is assigned to it by the By-laws or referred to it by the Association, the Steering Committee, or the Director General. Working Groups provide ever-ready and experienced groups to which work may be referred at any time. They handle many tasks that need to be carried out regularly.

Article 28 - Communication Working Group

The Communication Working Group shall seek to make the Association a more effective industry representative by informing target audiences of the many positive things the industry and the Association do that have a beneficial impact on the public. The Communication Working Group shall advise and assist the Steering Committee and the Director General on communication initiatives that increase the awareness of the industry and the Association, public affairs programs, and media relations.

Article 29 - Strategy Policy Working Group

The Strategy Policy Working Group advises the Steering Committee on all policy and regulatory issues by developing policy recommendations, setting priorities for the Association in terms of level of effort and resource allocation to policy issues, drafting policy positions for the Association; and reviewing all policy positions prior to review and approval by the Steering Committee. The primary focus is to monitor and influence the policies and laws developed by the European Union and the EU Member States.

F. Officers

Article 30 – Elected Officers

The Association shall have the following Elected Officers, to be appointed by and among the voting Directors:

- Chairman
- Vice Chairman, and
- Treasurer.

The term of office of any Elected Officers shall be one year.

(a) Chairman

The Chairman shall have the powers conferred upon him by these By-laws, including:

- act as spokesman for the Association ;
- represent the Association at appropriate levels with regard to all issues of concern to the Association ;
- preside at the General Assembly, the Steering Committee, and the Executive Committee ; and
- appoint members of all standing committees and working groups, unless otherwise provided in the By-laws.

(b) Vice Chairman

In the case of the absence or disability of the Chairman or in the case of a vacancy in the office of the Chairman, the Vice Chairman shall perform the duties of the Chairman until the next meeting of the Steering Committee.

The Vice Chairman chairs the Audit and Budget Committee.

(c) Treasurer

The Treasurer shall have responsibility for the custody of the funds of the Association, keeping an account of all moneys received and expended for the use of the Association, and making disbursements authorized by and in such manner as may be prescribed by the Steering Committee. The Treasurer shall be responsible for the deposit of all moneys received by the Association in banks or other institutions designated by the Steering Committee and for recommending to the Steering Committee the investment of surplus funds. The Treasurer shall render a report at the annual General Assembly of the Association. The Treasurer shall be responsible for acquiring a suitable bond covering officers and staff, the cost of which shall be borne by the Association.

At the expiration of his term of office, the Treasurer shall deliver to his successor all books, moneys, or other properties belonging to the Association that may be in his custody or possession.

Article 31 – Appointed Officers

The Association shall have the following Appointed Officers:

- a Director General,
- a Secretary, and
- one or more Assistant Treasurers.

The Appointed Officers are appointed by the Steering Committee, to serve for such length of time and for such compensation as the Compensation Committee recommends and is approved by the Steering Committee. Subject to the terms of any applicable contracts, the Steering Committee may terminate the services of any such Appointed Officers at its discretion. These offices may be held and the duties thereof discharged by one or more individuals.

(a) Director General

The Director General shall be the chief executive officer of the Association and shall perform the duties of such position and such other duties as may be assigned to him by the General Assembly, the Steering Committee and the Executive Committee.

The Director General shall have the powers conferred upon him by these By-laws, including:

- manage the Secretariat of the Association;
- be in charge of the daily management of the Association; and
- prepare the annual budget and annual accounts of the Association.

The Director General shall report to the Steering Committee.

The Director General shall have the power to sub-delegate his powers to one or more persons, who may or may not be employees of the Association.

(b) Secretary

The Secretary shall keep a permanent record of all proceedings of the Association and shall perform such other duties as may be assigned by the Steering Committee or the Director General.

(c) Assistant Treasurer(s)

The Assistant Treasurer(s) shall, in the absence of the Treasurer, do and perform all the duties of the Treasurer as stated in Title III, Article 20, and shall perform such other duties as may be required of him by the Steering Committee or Director General.

TITLE IV – REPRESENTATION, BUDGETS, AND ACCOUNTS

Article 32 – Representation

The Association shall be validly represented vis-à-vis third parties and with regard to all judicial or extra-judicial deeds by the Chairman acting individually or by any two Directors acting jointly.

Within the framework of daily management, the Association shall also be validly represented vis-à-vis third parties and with regard to all judicial or extra-judicial deeds by the Director General acting individually.

None of the aforementioned persons must justify his powers vis-à-vis third parties.

In addition, the Association shall be validly represented, within the framework of his mandate, by a proxy holder duly mandated by the Chairman acting individually or by any two Directors acting jointly or, within the framework of daily management, by the Director General acting individually.

Article 33 – Budgets and accounts

The financial year of the Association shall be from January 1 through December 31. On December 31 of each year, the books and accounts of the Association will be closed.

The Steering Committee shall prepare before 30 September of every year for the approval by the General Assembly the accounts of the past financial year.

An annual budget of the anticipated total expense of operating the Association for the ensuing fiscal year shall be prepared before 31 May of every year by the Director General with oversight by the Audit and Budget Committee and with the approval of the Steering Committee and the General Assembly. The budget shall be approved or amended by the Steering Committee by at least a two-thirds (2/3) vote.

The Steering Committee may set aside as a reserve for contingencies or may accumulate and add to the surplus funds of the Association all or any part of the excess of dues over expenditures. Said accumulation of surplus shall not exceed one hundred and twenty percent (120%) of the Association's annual budget.

Article 34 – Membership fees

The Association's membership fees shall be set by the Steering Committee on an annual basis as part of the budget process.

Company Members fees will be set for four size categories: Large, Medium, Small, and Minimum.

Associate Members or Supporting Partners shall pay at least the minimum annual fees payable by them as set by the Steering Committee.

The following rules shall apply :

- (a) Any new Member will pay a proportionate amount of the annual fees obligation for the remaining months of the year effective in the month of approval for membership.
- (b) Emergency fees. By a two-thirds (2/3) vote of the Steering Committee, a supplementary budget, with the corresponding emergency fees, may be decided in order to meet special emergencies or otherwise as may be deemed necessary for the general welfare of the Association.
- (c) Payment of fees. Fees for the subsequent financial year shall be billed to Members on or about December 1st of the prior year and shall be due and payable by February 15 of the subsequent year. On or about March 1st, a notice shall be sent by means of registered letter to all Members whose fees remain unpaid. If the fees of any member are still unpaid on April 15, the Member will be notified that its membership in the Association will be terminated for cause at the next meeting of the Steering Committee.

TITLE V – DISSOLUTION

Article 35 – Dissolution

Article 15 of these By-laws applies with respect to quorum and majority requirements in case of a dissolution proposal.

If dissolved, the General Assembly shall appoint two liquidators, Members or not, and determine their powers. The General Assembly shall decide on the method of liquidation of the Association and the destination of the Association's funds, which shall be allocated to a disinterested purpose.

TITLE VI – GENERAL PROVISIONS

Article 36 – Notification

Unless otherwise specified in these By-laws or in the Internal Rules, all notices shall be sent by regular mail or by any other written means of communication (including telecopy or e-mail).

Article 37 – Internal Rules

The Steering Committee may issue Internal Rules compatible with the provisions of these By-laws, in order to ensure the functioning of the Association and its administration and/or to execute and complement the By-laws.

Article 38 – Language

The working language of the Association shall be English.

The language used for all official documents shall be French.

Article 39 – Applicable law

All issues not addressed in these By-laws or the Internal Rules as they may from time to time be in effect shall be addressed in accordance with the applicable law.

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