

EASEE–gas RULES

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1. DEFINITIONS

1.1 The following terms used in these rules (“Rules”) have the meanings defined below:

“Active Gas Industry Segment” means a Gas Industry Segment, which has been joined by at least five (5) Full Members.

“Alternate” means a person who may attend a meeting of the Board in the place of a Director in accordance with Article 5.3 and Rule 6.2.

“Advisory Panel” means a panel of advisors to the Board and the Executive Committee as set out in Article 7.

“Articles of Association” or “Article(s)” means the statutes of EASEE-gas.

“Associate Members” has the same meaning as set out in Article 4.3.

“Board” means the board of Directors of EASEE-gas.

“Common Business Practices” or “CBPs” means the documents developed and modified by Working Groups and approved in accordance with Rule 9.6, which provide information on gas industry issues.

“Director” means a member of the Board of EASEE-gas.

“EASEE-gas” means the European Association for the Streamlining of Energy Exchange-gas.

“Executive Committee” or “EC” means the committee that has overall responsibility for, inter alia, the development of the Common Business Practices in accordance with Article 8.

“Executive Committee Member” or “EC Member” means a person who is elected as a member to the Executive Committee in accordance with Rule 9.4.

“EC Alternate” means a person who may attend a meeting of the Executive Committee in the place of an EC Member in accordance with Rule 9.3.

“Full Member” has the same meaning as set out in Article 4.1.

“Gas Industry Segment” or “Segment” has the same meaning as set out in Rule 3.1.

“General Manager” means a person directly or indirectly employed or appointed by EASEE-gas who manages the day-to-day affairs of EASEE-gas in accordance with Article 6.3.

“General Meeting of Members” means the highest authority of EASEE-gas in accordance with Article 9.

“Law” means the European directives and/or the French law. Where there is any conflict, the European directives shall prevail.

“Member” means a Full Member and/or an Associate Member.

“Officers” mean the persons chosen by the Board to fulfil specific functions within EASEE-gas in accordance with Article 6.1.

“Record Date” has the same meaning as set out in Rule 5.2.

“Registered Office” means the office of EASEE-gas as declared to the French authorities in accordance with Article 3.

“Register of Members” means a register containing the details of all Full and Associate Members, in accordance with Article 4.6.

“Secretary” means the Officer who shall perform the duties of a secretary in accordance with Article 6.1 and Rule 7.10.

“Working Group” means a group of representatives of Members and other persons set up by the EC, which inter alia, develops and modifies CBPs set up in accordance with Rule 9.7.

1.2 In these Rules, save where the context otherwise requires:

- words in the singular shall include the plural, and vice versa;
- the masculine gender shall include the feminine and neuter and vice versa;
- a reference to a person or a company shall include a reference to a firm, a body corporate or to an unincorporated association;
- a reference to a Rule shall be a reference to a rule within this document;
- a reference to an Article shall be a reference to an article within the Articles of Association;
- if a period of time is specified and dates from a given day or the day of an act or event, it shall be calculated exclusive of that day;
- references to writing shall include any modes of reproducing words in a legible and non-transitory form; and
- the headings in this document are for convenience only and shall not affect the interpretation of any provision of this document.

2. GUIDING PRINCIPLES

2.1 Basic Principles

EASEE-gas shall be an open, inclusive and independent organisation with company-based membership by Gas Industry Segment. Governmental and regulatory bodies shall have observer status only.

EASEE-gas' organisational structure shall be carefully developed to ensure that all Members and all Segments have a voice and a vote that counts.

EASEE-gas shall adopt balanced voting procedures that promote consensus and inclusiveness.

EASEE-gas shall function by using open processes that guarantee every Member has the right to be heard.

EASEE-gas shall be membership-driven: all activities shall be performed by volunteers. The staff, which shall be kept to a minimum, shall provide administrative support. If there are no volunteers for a particular proposal, it shall not be pursued.

EASEE-gas shall be financed mainly through membership fees.

2.2 EASEE-gas process

The Executive Committee is responsible for developing a set of CBPs as specified in Rule 9. For that purpose, the EC shall use its reasonable endeavours to obtain a consensus, where possible, amongst the Members. Where there is a lack of consensus, a CBP may be ratified by a General Meeting of Members in accordance with the Articles of Association and as specified in Rule 9.

2.3 Competition Laws

It is the policy of EASEE-gas to comply fully with both the letter and the spirit of EU competition laws, in particular, with the European Gas Directive (2003/55/EC) and Regulation (1775/2005/EC). Any conduct contrary to the letter or the spirit of such competition laws is detrimental to the best interests of EASEE-gas and its Members. No Director, employee or Officer acting on behalf of EASEE-gas is authorised to act contrary to this policy.

3. GAS INDUSTRY SEGMENTS

3.1 Gas Industry Segments

A company may obtain one or more memberships by becoming a Full Member in one or more Gas Industry Segments upon payment of the appropriate fee associated with each such Gas Industry Segment in accordance with the Articles of Association. Such company shall present an application to the Board in accordance with Article 4.4. The list of applying companies shall then be submitted to the General Meeting of Members for final approval.

A company may apply to join one or more of the following Gas Industry Segments in which they operate:

- Producers - entities that explore and/or produce hydrocarbon resources (oil and/or natural gas) and arrange for the delivery and/or processing of natural gas to the point of sale to purchasers;
- Traders & Shippers – companies that buy and sell natural gas on a wholesale basis, dealing with parties that are not the end consumers, and/or that arrange to transport natural gas to supply points where the Suppliers' role takes over;
- Transporters – companies that operate high pressure transmission systems and/or pipelines, including transit pipelines;
- Distribution Network Operators – companies that operate the lower pressure distribution grids that take the natural gas from the high pressure transmission systems to domestic and/or small commercial end users;
- Suppliers - companies that provide marketing and billing services and form a link between Traders & Shippers and End Users and/or Retail Suppliers;
- Retail Suppliers – companies that provide marketing and billing services and form a link between Suppliers and domestic and/or small commercial end users;
- End Users – companies that are involved in power generation and/or industrial or commercial activities and are consumers of large quantities of natural gas;
- LNG Terminal and Storage Operator and Service Provider (LTSOSP) – all other companies that are involved in the gas industry and provide services for companies in other Gas Industry Segments, including for example, LNG terminal operators, storage providers, brokers, gas shipping agents, consultants, etc.

3.2 Fees

The Board may determine, every year, the amount of the membership fee and the time and method of payment. Non-payment of membership fees within three months of the issue of an initial invoice, or three months after the issue of an invoice for the renewal of membership, shall lead to the suspension of any membership rights.

3.3 Resignation/Cancellation

No refunds of membership fees are payable. When a Member resigns or its membership is cancelled pursuant to Article 4, it shall have no right to or over any asset of EASEE-gas.

4. ORGANISATION AND GOVERNANCE

4.1 Governing bodies

The ultimate authority within EASEE-gas is the General Meeting of Members.

The Board shall manage the business and affairs of EASEE-gas, including the preparation and execution of the budget, the supervision of the staff of EASEE-gas, set the overall strategic direction of the organization and validate the proposal for the annual plan for the development and maintenance of Common Business Practices, in accordance with Rules 6, 7 and 8.

The Executive Committee shall be primarily responsible for the establishment of procedures for the development of Common Business Practices and for the co-ordination of the Working Groups.

4.2 Other bodies

The Board may appoint an Advisory Panel in accordance with Article 7 of the Articles of Association and Rule 0. The Advisory Panel may advise both the Board and the Executive Committee on their various areas of work and on the effectiveness of EASEE-gas in contributing to the development of an efficient and effective European gas market.

The Executive Committee may set up a number of Working Groups to develop proposals from Members and others in the gas industry for Common Business Practices, in accordance with Rule 9.

5. GENERAL MEETINGS OF MEMBERS

5.1 General Meetings of Members

General Meetings of Members shall take place at least once every year in accordance with Article 9. The Secretary shall:

- set the date and time of the General Meeting of Members; and
- give notice in accordance with the Articles of Association and with Rule 11.

5.2 Record Date

The Board may set a day (the “Record Date”), not earlier than sixty (60) days prior to the date of any General Meeting of Members or any adjournment thereof, as a Record Date for the determination of Members entitled to receive notice of, or to vote at, such General Meetings of Members.

The Board may similarly set a Record Date on the basis set out above for the determination of voting rights in any other instance.

5.3 Chairman and Secretary

At every General Meeting of Members, the Chairman (or in his absence, the Vice-Chairman or in his absence, a chair chosen by the Full Members) shall act as chair. The Secretary (or in his absence, a person appointed by the acting Chairman) shall act as secretary.

5.4 Voting at General Meetings of Members

Each Full Member with the right to vote according to the Register of Members at the Record Date shall be entitled to one (1) vote in person or by proxy, and shall designate in writing the individual authorized to cast that vote. An example of a pro forma proxy is attached at Annex C. Every proxy shall be executed in writing by the Full Member or by such Full Member's duly authorized representative and shall be filed with the Secretary following the use of such proxy.

A proxy shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary. The revocation of a proxy shall not be effective until notice thereof has been given to the Secretary. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the Secretary. No proxy shall be valid after three (3) years from the date of its execution.

Voting in General Meetings of Members is limited to one vote per Full Member in respect of each proposed resolution (notwithstanding any proxies that such Full Member may hold).

5.5 Voting in writing

Unless otherwise restricted by the Law, by the Articles of Association or by these Rules, any action required or permitted to be taken by the Full Members at any General Meeting of Members may be taken without a meeting, without prior notice and without a vote, by way of a written resolution (or by any other method approved by the Board, for example by letter or by fax). The form shall specify the resolution under consideration and must be approved by the number of Full Members that would be necessary to authorise or take such action at a meeting at which 50% of Full Members were present and voted in order for the resolution to pass.

Every vote shall bear the date of signature of each Full Member who signs the form. No action approved by written vote shall be effective unless such written votes are signed by a specified date and delivered to the Secretary within 30 (thirty) days of distribution of the written resolution to the Full Members. Such forms shall be delivered (for example, by fax) to EASEE-gas, by delivery to its Registered Office, its principal place of business, or to the Officer or agent of EASEE-gas who has custody of the book in which proceedings of meetings of Members are recorded.

5.6 Majority Vote

In accordance with Article 9.1, and unless otherwise specified, resolutions shall be passed by means of a majority decision. In the event of an even vote, the Chairman shall have a casting vote.

6. THE BOARD

6.1 The Board

The Board shall manage the business and affairs of EASEE-gas, except to the extent that specific powers and duties are conferred upon the Executive Committee by the Articles of Association or by these Rules.

The Board may delegate additional powers to the Executive Committee, provided that the Board may not delegate its power to approve amendments to the Articles of Association, a merger or consolidation, a substantial sale of assets, the dissolution of EASEE-gas or amendments to these Rules.

The powers of EASEE-gas shall be exercised by or under the authority of the Board, except as otherwise provided by Law, the Articles of Association or these Rules.

6.2 Qualifications of Directors

With the exception of the initial Directors, appointed by the first General Meeting of Members in accordance with Article 5.7, and of their Alternates, each Director or Alternate shall be a partner in, an officer or an employee of a Full Member.

Generally, a Director must be willing to commit the time and resources necessary to fulfil the obligations of a Director. While Directors may participate and vote by means of teleconference or other electronic means, eligibility for re-election as a Director is dependent upon in-person attendance at no less than 25% of scheduled Board Meetings and participation in person, by representation by their relevant Alternate or by telephone in at least 75% of such meetings. Such attendance/participation record shall be reviewed over the term of their election as Director.

6.3 Number and term of Directors

The Board shall consist of up to eight (8) persons, with each of the Active Gas Industry Segments represented by one (1) Director. Each Director may nominate an Alternate from the same Gas Industry Segment (if necessary, from the same company). An Alternate shall deputise for the relevant Director whilst that Director remains in office. If the position of an Alternate is vacated before the end of the relevant Director's term of office, that Director may nominate a new Alternate.

Gas Industry Segments shall be divided into two (2) groups, A and B, as detailed in Annex A. Directors shall be elected for terms of two (2) years, except for the first group of elected Directors, the initial Directors or where a vacancy arises in any Gas Industry Segment. Vacancies shall be filled for the balance of the term for such Gas Industry Segment by organising a new election.

The initial terms of office of the two groups after the resignation of the initial Directors are set out in Annex B. Following these initial terms, the term of office of the Directors appointed by one of the two groups shall expire in each alternate year.

Each Director shall hold office during his term until the earliest of:

- the later of the expiration of the term for which he was elected or until his successor has been properly elected;
- the resignation or lapse (through failure to pay the relevant membership fee) of membership of the Full Member of which the Director is a partner, officer or employee;
- the receipt by the Secretary of a termination notice in writing from the relevant Full Member stating the reasons for such termination, such as the cessation of the Director's employment or contractual relationship with that Full Member;
- the Director's death, resignation, or removal.

The initial Directors appointed in accordance with Article 5.7 shall serve for a period ending at the first election of Directors as specified in the Articles of Association.

6.4 Elections of Directors

Each Full member shall be entitled to propose one individual or 'nominee' to be a member of the Board in order to represent the Gas Industry Segment to which the Full Member belongs. Notice of such nominations shall be given to the Secretary no later than 30 days before each Relevant General Meeting of Members, or in the case of a vote in writing, within an equivalent timescale defined by the Secretary. To be valid, any such nomination must be accompanied by a written statement from the nominee stating that he is aware of the nomination and would be prepared to serve as a Director if elected as the representative of that Gas Industry Segment and by a short summary of such nominee's experience in the gas industry. A person may only be nominated to represent one (1) Gas Industry Segment at any one time.

Where a company has joined a number of Gas Industry Segments, that company may, for each election, only propose a nominee to represent one Gas Industry Segment, unless such company already has two representatives at the Board, in which case such company may not propose a nominee at all. This is to prevent a company from having more than two Directors in place at any one time.

No later than ten (10) days after the deadline set for the proposal of nominees, the Secretary will circulate to all Full Members a list of the nominations received, along with the summaries received for each nominee and a voting form (by any method approved by the Board, for example, electronically) which specifies the name of every nominee.

The following procedures shall be applied in sequence:

- Each Full Member shall rank the nominees for all Gas Industry Segments in order of preference by marking the nominee which is their first choice for membership of the Board in each Segment with the number "1" and continuing in order of preference until it is indifferent as to the preference it accords to any remaining nominees. This ranking shall be submitted to the Secretary by a date specified by the Secretary, which shall be no later than ten (10) days before the relevant General Meeting of Members, or in the case of a vote in writing, within an equivalent timescale defined by the Secretary;

- The Secretary will then count the votes and prepare a list ranking the nominees by Gas Industry Segment until the relevant number of representatives with the most first preferences are identified;
- The preferred nominees with the most first preference votes by Gas Industry Segment will be proposed to the Full Members to be elected to the Board as Directors in representation of their respective Gas Industry Segments;
- Where two or more nominees for a particular Gas Industry Segment have received an equal number of first preferences, the nominee with the highest number of second preferences shall be proposed to be elected. Where the relevant nominees have received an equal number of first and second preferences, the number of third preferences received by those nominees shall determine the outcome in the favour of the nominee with the highest number of third preferences, and so on successively. In the event that two or more nominees have the same number of preferences and it is not possible to reduce the number of proposed appointees to the relevant number, the Full Members shall vote to decide which of such two or more nominees shall be appointed for election to the Board; and
- The Full Members shall vote at the relevant General meeting of members or, as the case may be, in writing in accordance with Rule 5.5 to confirm or otherwise the proposed appointees for election to the Board.

6.5 Committees

The Board, by a majority vote, may establish committees of Directors. The respective resolutions shall describe the powers and authorities of each committee, require each committee to adopt specified procedures, and provide opportunity for Directors from each Gas Industry Segment to participate in the committee's work.

6.6 Resignations

Any Director may resign at any time by giving written notice to the Secretary. The resignation shall be effective upon receipt by the Secretary or at such subsequent time as may be specified in the notice of resignation.

6.7 Removal of Directors

The Directors by a majority vote may elect to put forward at a General Meeting of Members a resolution that a Director should be removed. Any Director may be removed by an approved resolution of the General Meeting of Members. Such removal shall be without prejudice to the contractual rights, if any, of any person so removed.

6.8 Vacancies

Replacement Directors shall be appointed where vacancies result from the application of Rules 6.6 or 6.7, in accordance with Rule 6.4.

7. OFFICERS

7.1 Officers

The Officers of EASEE-gas shall include a Chairman, a Vice-Chairman, a Secretary, a Treasurer and a General Manager. The same person may hold any number of offices, provided that the posts of Chairman and Treasurer are held by different persons in accordance with the Articles of Association.

7.2 Qualifications

The Officers shall be appointed from amongst the Directors, save for the Secretary, where applicable, and the General Manager. The General Manager will not be a Director but an employee or an appointee of EASEE-gas. Only Officers that are Directors are allowed to vote at Board meetings.

7.3 Election and terms of Officers

The Officers of EASEE-gas shall be elected or appointed by the Board at any meeting of the Board or by way of a written resolution of the Board. The Chairman and Treasurer shall serve for a term of one (1) year, until the earlier of the following events: the beginning of his successor's term, or his death, resignation, removal or lapse of Directorship.

7.4 Alternates

Where such Officer is absent, the relevant Director's Alternate shall deputise, provided that in the absence of the Chairman, Rule 8.1 shall be adhered to. However, the Chairman's Alternate (in the absence of the Chairman) may attend and vote at the same meeting.

7.5 Resignation

Without prejudice to Rule 6.6, any Officer may resign his office at any time by giving written notice to the Secretary (or in the event that the Secretary resigns, to the Chairman). The resignation shall be effective upon receipt by the Secretary (or the Chairman respectively) or at such subsequent time as may be specified in the notice of resignation.

7.6 Removal

Without prejudice to Rule 6.7, any Officer may be removed from office by a majority decision of the Board.

7.7 Vacancies

Any vacancy shall be filled by a member of the Board for the balance of the relevant term.

7.8 The Chairman

The Chairman shall have general supervision over the business and operations of EASEE-gas, subject to the governance of the Board. Subject to Rules 5.3 and 8.1, the Chairman shall chair all meetings of the Board and the General Meetings of Members. The Chairman shall execute in the name of EASEE-gas, deeds, mortgages, bonds, contracts, and other instruments to the extent authorized by the Board, or where material, the Full Members at a General Meeting of Members, except in cases where the Board has (or the Full Members at a General Meeting of Members have) expressly delegated the execution to some other Officer or agent of EASEE-gas. In general, the Chairman shall perform all duties incident to the office of Chairman and such other duties as may be assigned by the Board.

7.9 The Vice-Chairman

In accordance with Rules 5.3 and 8.1, the Vice-Chairman shall chair all meetings of the Board and of the General Meetings of Members in the absence of the Chairman.

7.10 The Secretary

Unless the Board directs otherwise, the General Manager shall also be the Secretary of EASEE-gas. In the event that the General Manager is not the Secretary, the Secretary may delegate part of its duties to the General Manager or another person agreed by the Board.

The Secretary shall attend all meetings of the Board, the Executive Committee and all the General Meetings of Members. The Secretary shall record all votes of the Board, EC and the Full Members and the minutes of the meetings of the Board, EC and of the General Meetings of Members in a book or books belonging to EASEE-gas to be kept for that purpose. The Secretary shall ensure that the minutes of any Board meeting shall be confirmed at the beginning of the subsequent Board meeting.

The Secretary shall see that required notices of meetings of the Board and of the General Meetings of Members are given and that all records and reports in respect of the Board, EC or any General Meeting of Members, whether required by Law or otherwise, are properly kept and filed by EASEE-gas. To the extent not provided for by the EC, the Secretary shall appoint persons to take minutes of EC meetings.

The Secretary shall keep and update the Register of Members and their voting rights, as set out in the Articles of Association. These records shall be made available to the Members for consultation at the Registered Office.

In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board or the Chairman.

7.11 The Treasurer

The Board shall elect one of the Directors to act as Treasurer.

The Treasurer shall be responsible for corporate funds and securities and keeping full and accurate accounts of receipts and disbursements in books belonging to EASEE-gas, whether required by Law or otherwise. The Treasurer shall have full authority to receive and give receipts for all money due and payable to EASEE-gas.

The Treasurer may delegate part of its powers to the General Manager or another person agreed by the Board.

The Treasurer shall deposit all funds of EASEE-gas, except such as may be required for current use, in such banks or other places of deposit as the Board may designate. In general, the Treasurer shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Board or the Chairman.

7.12 The General Manager

The General Manager shall be appointed by, and be subject to the control of, the Board. The General Manager shall report directly to the Chairman. The General Manager shall have all powers and duties necessary for managing the day-to-day operation and business affairs of EASEE-gas and directing all activities of EASEE-gas as prescribed by the Board.

7.13 Compensation of the General Manager

The Board shall determine the compensation of the General Manager and/or other EASEE-gas employees or appointees, if any.

8. MEETINGS OF THE BOARD

8.1 Chair and Secretary

Subject to the Articles of Association, every meeting of the Board shall be presided over by the Chairman, or in the absence of the Chairman, by the Vice-Chairman or if both are absent, by a chair chosen by a majority of the Directors present.

The Secretary, or in his absence, a person appointed by the Chairman shall act as secretary.

8.2 Board meetings

Regular Board meetings

The Board shall hold regular meetings at such place and time as shall be designated by resolution of the Board at the preceding Board meeting. The Board shall transact such business as may properly be brought before its meetings.

Special Board meetings

The Chairman or three (3) Directors may call a special meeting of the Board that shall be held at such time and place as shall be stated in the notice of such special Board meeting. At least ten (10) working days' notice of any special Board meeting shall be given to each Director pursuant to Rule 11 or by telephone (provided that, if such notice of the meeting is circulated by telephone, a written notice shall be sent promptly thereafter). Such notice shall state the time and place of such special Board meeting and state the matters to be discussed at the special Board meeting. Action taken at special Board meetings shall be limited to the matters described in the meeting notice.

8.3 Quorum

More than 50 % of the Directors must be present in order for any meeting of the Board to be quorate.

8.4 Modes of participation

One (1) or more Directors may participate in a meeting of the Board of Directors or a committee by means of telephone conference or similar communications equipment, provided that all Directors or Officers participating in the meeting can hear and understand each other clearly.

8.5 Voting

A majority of votes cast by the Directors shall normally be required to approve resolutions of the Board, unless stated otherwise in the Articles of Association and the Rules.

Each Director (or his Alternate, in the absence of such Director) shall be entitled to one (1) vote in person by show of hands or in writing as described in Rule 8.6 below.

8.6 Votes in writing

Votes in writing (“Postal Votes”) may be cast by Directors in the following circumstances and pursuant to the following procedures:

- In lieu of meeting: The Chairman may request that the Board, without a meeting and without unanimous consent, take any vote or action, and such action may be taken if approved by the appropriate voting levels specified in Rule 8.5. Such written resolution must be approved in writing by all of the Directors. Notice of the Chairman's request shall be given to all Directors in the manner specified in Rule 11.
- During meetings: Postal Votes from a Director shall be accepted and counted at a Board meeting with respect to any resolutions circulated in writing in advance of a Board meeting. For the avoidance of doubt, a Postal Vote shall not make an inquorate meeting quorate.

Postal Votes may be cast either by way of a signed letter or fax or by way of electronic mail.

9. EXECUTIVE COMMITTEE

9.1 Duties and responsibilities

The Executive Committee shall have overall responsibility for the development, modification and documentation of Common Business Practices in accordance with the annual plan approved by the General Meeting of Members.

Generally, an Executive Committee Member must be willing to commit the time and resources necessary to fulfil the obligations of an Executive Committee Member.

While Executive Committee Members may participate and vote by means of teleconference or other electronic means, eligibility to continue serving as an Executive Committee Member is dependent upon in-person attendance at no less than 25% of scheduled Executive Committee Meetings and participation in person, by representation by their relevant Executive Committee Alternate or by telephone in at least 75% of such meetings. Such attendance/participation threshold shall be reviewed at March 31 and September 30 of each year for the preceding twelve months. The Executive Committee Members, by a majority vote, may elect to put forward to the Board a resolution that an Executive Committee Member failing to meet the participation thresholds above should be removed. Such Executive Committee Member may be removed by an approved resolution of the Board. Such removal shall be without prejudice to the contractual rights, if any, of any person so removed.

The proceedings of Executive Committee Meetings may be transcribed and all votes shall be recorded in the minutes.

The EC shall develop and propose to the Board the annual plan for the development and maintenance of Common Business Practices.

9.2 Development, modification and documentation of Common Business Practices

The EC shall manage the following:

- ascertaining the requirements for Common Business Practices within the gas industry;
- soliciting and administering proposals for CBPs from Members;
- establishing an annual program of topics and prioritising them;
- developing and modifying CBPs on a regular basis or when urgently required;
- setting up Working Groups to develop or modify CBPs or to make recommendations on specific issues and to take any appropriate action in order to facilitate the effective operation of such Working Group;
- agreeing to the release of the draft CBPs for comments from the Members;
- sending approved draft CBPs to the Members for final comments, such final comments to be sent within an appropriate period of time, not shorter than one month;

- overseeing the Working Groups in the process of considering and dealing with the comments made by the Members, if any, and the process of proposing final draft CBPs;
- formally approving final draft CBPs by a vote whereby no more than one of the Executive Committee Members of each Gas Industry Segment may vote against such CBP;
- bringing to a General Meeting of Members CBPs for which an appeal has been made by Full Members under provision of Rule 9.6;
- documenting, publishing and promoting the use of the CBPs;
- setting up training programs for companies interested in using the CBPs (and any related software);
- maintaining CBPs by monitoring their usage across the gas markets and establishing the need for modified CBPs;
- establishing a library of CBPs approved by the EC, which will be made accessible to the gas industry.

For the avoidance of doubt, this list is not an exclusive list of actions.

- In order to achieve these actions, the Executive Committee shall establish procedures that will:
- facilitate the creation of CBPs that are based upon broad industry consensus and recognise the particular needs of each Segment;
- consider the work of existing business practices set by organisations and European standards.

9.3 Membership of the Executive Committee

The EC shall consist of a maximum of twenty-four (24) persons, with each of the Active Gas Industry Segments electing three (3) EC Members.

Full Members may nominate persons to the Executive Committee representing a Gas Industry Segment to which the nominating Full Member belongs provided that:

- a) any nominee is a representative of a Full Member;
- b) any nominee is not representing a company which is an Affiliated Company of another Full Member having a representative on or nominating a representative to the Executive Committee for such segment at that time, and
- c) a nominee shall declare its independence from, or its degree of affiliation to, any other Full Member(s) having a representative on or nominating a representative to the Executive Committee for such segment not later than twenty five (25) days before the date of the relevant General Meeting of Members.

For the purposes of this Rule 9.3 an Affiliated Company shall mean any company controlling (directly or indirectly), controlled by or under common control with that Affiliated Company. For the purposes of this definition, 'control', means direct or indirect beneficial ownership of equal to 50% or more (or, outside a company's home

territory, such lesser percentage as is the maximum permitted level of foreign investment) of the share capital, stock or other participating interest carrying the right to vote or to distribution of profits of that entity, as the case may be. Gas Industry Segments shall be divided into two (2) groups, A and B, as detailed in Annex A.

The initial terms of office of the two classes are set out in Annex B. Following the initial terms, the term of office of the EC Members appointed by one of the two groups shall expire every three (3) years. Executive Committee Members shall be elected for terms of three (3) years except for the initial elections and where a vacancy arises in any Gas Industry Segment. Vacancies shall be filled for the balance of the term for such Gas Industry Segment, by organising a new election. Each Executive Committee Member shall hold office during his term until the earliest of:

- the later of the expiration of the term for which he was elected or until his successor has been elected;
- the resignation, lapse or suspension (through failure to pay the relevant membership fee) of membership of the Full Member of which the EC Member is an officer or an employee;
- the receipt by the Secretary of a notice in writing from the relevant Full Member stating that the Full Member wishes to cease being represented by such EC Member for reasons such as the cessation of his employment or contractual relationship with the Full Member; or
- the EC Member's death, resignation, or removal.

EC Members may nominate an EC Alternate from the same Gas Industry Segment (if necessary, from the same company). An EC Alternate shall deputise for the relevant EC Member whilst that EC Member remains in office. If the position of an EC Alternate is vacated before the end of the relevant EC Member's term of office, that EC Member may nominate a new EC Alternate.

Any Executive Committee Member may resign at any time by giving written notice to the Secretary. The resignation shall be effective upon receipt by the Secretary or at such subsequent time as may be specified in the notice of resignation.

Replacement Executive Committee Members may be appointed to fill any vacancies resulting from any of the circumstances described above. Such appointments shall be made by the Gas Industry Segment in respect of which the vacancy occurs, following an election as set out below.

9.4 Elections

Each Full member shall be entitled to propose one individual or 'nominee' to be a member of the Executive Committee in order to represent the Gas Industry Segment to which the Full Member belongs in accordance with Rule 9.3. Notice of such nominations shall be given to the Secretary no later than 30 days before each Relevant General Meeting of Members, or in the case of a vote in writing, within an equivalent timescale defined by the Secretary. To be valid, any such nomination must be accompanied by a written statement from the nominee stating that he is aware of the nomination, fulfils the conditions as laid down in Rule 9.3 a) to c), and would be prepared to serve as a member of the Executive Committee if elected as the representative of that Gas Industry Segment

and by a short summary of such nominee's experience in the gas industry and declare the nominating Full Member's independence from, or degree of affiliation to any other Full Member having a representative on or nominating a representative to the same segment of the Executive Committee at that time.

No later than ten (10) days after the deadline set for the proposal of nominees, the Secretary will circulate to all Full Members of the relevant Gas Industry Segment a list of the nominations received for that Gas Industry Segment, along with the summaries received for each nominee and a voting form (by any method approved by the Board, for example, electronically) which specifies the number of representatives to be elected as EC Members for each particular Gas Industry Segment and the name of the nominees proposed to represent such particular Gas Industry Segment.

The following procedures shall be applied in sequence:

- Each Full Member shall rank the nominees for the Gas Industry Segment to which the Full Member belongs in order of preference by marking the nominee which is their first choice for membership of the Executive Committee with the number “1” and continuing in order of preference until it is indifferent as to the preference it accords to any remaining nominees. This ranking shall be submitted to the Secretary by a date specified by the Secretary, which shall be no later than ten (10) days before the relevant General Meeting of Members, or in the case of a vote in writing, within an equivalent timescale defined by the Secretary;
- The Secretary will then count the votes and prepare a list ranking the nominees by Gas Industry Segment until the relevant number of representatives with the most first preferences are identified;
- Where two or more nominees for a particular Gas Industry Segment have received an equal number of first preferences, the nominee with the highest number of second preferences shall be proposed to be elected. Where the relevant nominees have received an equal number of first and second preferences, the number of third preferences received by those nominees shall determine the outcome in the favour of the nominee with the highest number of third preferences, and so on successively.
- In the event that two or more nominees have the same number of preferences and it is not possible to reduce the number of proposed appointees to the relevant number, the Full Members shall vote to decide which of such two or more nominees shall be appointed for election to the Executive Committee; and
- Subject to the above provisions, the relevant number of most preferred nominees by Gas Industry Segment shall be proposed to Full Members to be elected to the Executive Committee. The Full Members shall vote at the relevant General meeting of members or, as the case may be, in writing in accordance with Rule 5.5 to confirm or not the proposed appointees for election to the Executive Committee.

9.5 Quorum

The quorum for meetings of the Executive Committee shall be a minimum of 2/3rds of the Executive Committee Members irrespective of the number of Gas Industry Segments represented. The quorum may be determined by counting attendance in person or by proxy.

If a meeting cannot be organised because a quorum has not been reached, those present may adjourn the meeting to such time and place as they may determine.

9.6 Voting to approve CBPs

When a Working Group has produced a draft CBP, it shall be submitted to the Executive Committee for approval of its release to Members for comments. Comments shall be provided directly to the relevant Working Group. On incorporation of such comments, if any, by the Working Group, approval by the Executive Committee of the final draft CBP shall be required, by way of a vote in accordance with the procedure set out below.

Approval of the CBP shall be given by the casting of a single vote by each Executive Committee Member, subject to no more than one of the Executive Committee Members of each Gas Industry Segment voting against the resolution. Votes may be cast in person or by proxy or in writing provided in advance of the meeting.

Abstentions shall be counted as positive votes.

For the avoidance of doubt, each EC Member with the right to vote shall be entitled to one (1) vote in person or by proxy, and shall designate in writing the individual authorized to cast that vote. Every proxy shall be executed in writing by the EC Member or by such EC Member's duly authorized representative and shall be filed with the Secretary following the use of such proxy.

A proxy shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary. The revocation of a proxy shall not be effective until notice thereof has been given to the Secretary. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the Secretary. No proxy shall be valid after three (3) years from the date of its execution.

Voting in EC meetings is limited to one vote per EC Member in respect of each proposed resolution (notwithstanding any proxies that such EC Member may hold).

Unless otherwise restricted by the Law, by the Articles of Association or by these Rules, any action required or permitted to be taken by the EC Members at any meeting may be taken without a meeting, without prior notice and without a vote, by way of a written resolution. The form shall specify the resolution under consideration and must be approved by the number of EC Members that would be necessary to authorize or take such action at a meeting at which all EC Members were present and voted in order for the resolution to pass.

Every vote shall bear the date of signature of each EC Member who signs the form. No action approved by written vote shall be effective unless such written votes are signed by a specified date and delivered to the Secretary within 30 (thirty) days of distribution of

the written resolution to the EC Members. Such forms shall be delivered (for example, by fax) to EASEE-gas, by delivery to its Registered Office or its principal place of business.

Unless otherwise specified, resolutions shall be passed by means of a majority decision.

Approved CBPs may be submitted to the Full Members for ratification at a General Meeting of Members, where the approval of such CBP is under appeal by at least three (3) Full Members. Such appeal should reach the Secretary no later than 2 months after the Members have been notified that such CBP has been approved by the Executive Committee. The said documents under appeal shall be made available to each Member at least twenty (20) days in advance of the General Meeting of Members at which such documents are to be voted upon.

9.7 Executive Committee organisation

Each year, the Executive Committee shall elect a chairman for a term of one year.

The Executive Committee is entitled to set up Working Groups, as it deems necessary to fulfil its duties and responsibilities. Each Member shall be notified of the proposed creation of a Working Group, such notice to be sent by the chairman of the EC. The notice shall contain a brief summary of why the Working Group is to be formed.

The initial meeting (“Kick Off Meeting”) of any Working Group shall be chaired by a member of the Executive Committee (or any other representative of a Full Member approved by the Executive Committee and where such nomination is accepted by the individual). All Full Members are entitled to send representatives to the Working Groups and to invite representatives of Associate Members, or to request that external experts be allowed to attend the relevant Working Group. The Executive Committee shall consider each such request. At the Kick Off Meeting, the chairman of the Working Group shall propose terms of reference and a development plan for the Working Group, to be approved by the Executive Committee. At the Kick Off Meeting, the Working Group shall elect a chairman and a secretary for any of its future meetings. Such chairman should regularly report on its progress and any significant issues to the Executive Committee. Any external costs incurred by a Working Group shall be shared among the companies represented in the Working Group.

In case a Working Group has too many members to work efficiently, the Executive Committee shall arbitrate to reach a reasonable and balanced attendance with the chairman of the EC having the final say in each matter. In particular, each Segment of which Full Members volunteered for a given Working Group shall be represented.

9.8 Meetings

Meetings of the Executive Committee shall be held at least quarterly but may be held more frequently if required. Meetings of the EC shall be held at premises specified in the notices for such meetings. Notice of Executive Committee meetings shall be sent to the Executive Committee Members at least twenty (20) days in advance.

Meetings of the Working Groups may be held by conference telephone or by correspondence in order to expedite the production of CBPs.

Working Groups and Task Forces shall use balanced voting procedures whereby each segment holds three votes to be apportioned equally to those participants of the segment present at the meeting either in person or by phone. No individual may have more than one vote apportioned to him or her. The votes or fractions of votes are tallied across segments to determine the outcome of the motion under consideration. No proxy votes are permitted.

The foregoing procedures, however, do not apply to Executive Committee subcommittees and task forces in which the membership is restricted to named members. Such subcommittees and task forces are already balanced in that only the named members vote and the named members represent a balance of the segments. Proxy votes are permitted in subcommittees and task forces with named members.

10. ADVISORY PANEL

10.1 Advisory Panel members

The Advisory Panel, if established, shall have members drawn from government or regulatory bodies relevant to the industry, consumer groups and other non-governmental bodies and individuals with an interest in the efficient and effective operation of the gas markets. Advisory Panel members shall be (representatives of) Associate Members of EASEE-gas and shall be invited to join the Advisory Panel by the Board for a service term of 3 years, which may be renewed once by the Board.

10.2 Role

The role of the Advisory Panel is to advise the Board and the Executive Committee on their areas of work and on the effectiveness of EASEE-gas in assisting the development of an efficient and effective European gas market.

10.3 Organisation

The Advisory Panel shall organise its work at it sees fit but shall meet at least twice a year and shall report its findings to the Board within a month of any such meeting. The Chairman of the Board or the chairman of the Executive Committee may request the advice of the Advisory Panel at other times with their consent.

11. NOTICES

11.1 Written notice

Written notice may be hand delivered directly to the addressee or sent by first class or express mail, postage prepaid, or courier service, charges prepaid, or by telegram (with messenger service specified), telex or its equivalent (with answer back received), electronic mail (or its equivalent), or by facsimile transmission, to his address or to his telex or its equivalent, electronic mail address or facsimile number appearing in the Register of Members or, in the case of Directors or Executive Committee Members, supplied by them to EASEE-gas for such purpose.

If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given when posted or deposited with a telegraph office or courier service for delivery to that person or, in the case of electronic mail, telex or its equivalent, when dispatched by the sender.

A notice of meeting shall specify the place, day and hour of the meeting and any other information required by Law.

Except as otherwise provided by Law or these Rules, when a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

11.2 Waiver in writing

Whenever any written notice is required to be given, a waiver in writing, signed by the person or persons entitled to the notice, whether before or after the event to which the notice was in respect of, shall be deemed to be the equivalent of the delivery of the notice.

11.3 Waiver by attendance

Attendance of a person at any meeting shall constitute a waiver of the requirement to deliver a notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

12. CONFLICTS OF INTEREST

No contract or transaction between EASEE-gas and one (1) or more of its Members, Directors, or Officers or between EASEE-gas and any other corporation, partnership, association, or other organisation in which one (1) or more of its Directors or Officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, if:

- the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board prior to any approval (or committee);
- the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Full Members entitled to vote thereon prior to any approval; or
- the contract or transaction is fair as to EASEE-gas as of the time it is authorized, approved, or ratified by the Board or the Full Members.

In that case, the Director who has duly declared his interest (so far as he is required to do so) shall not vote at a meeting of the Board (or of a committee thereof) on any resolution concerning a matter in which he is interested, directly or indirectly. If he does, such vote shall not be counted; and whether or not he does, the Director's presence at the meeting shall only be taken into account in calculating the quorum in respect of other resolutions.

EASEE-gas's adoption of a CBP shall not constitute a "contract or transaction" within the meaning of this Rule.

13. INSURANCE

EASEE-gas shall purchase and maintain insurance on behalf of any person who is or was a Director or an Officer and, to the extent approved by the Board, on behalf of Executive Committee Members, employees or agents of EASEE-gas or on behalf of persons now or previously serving at the request of EASEE-gas as a Director, Officer, employee or agent of another corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not EASEE-gas would have the power to indemnify him or her against that liability under the Law.

14. INDEMNIFICATION

Subject to the provisions of the Law, but without prejudice to any indemnity to which a Director or Officer of EASEE-gas may otherwise be entitled, every Director or other Officer or auditor of EASEE-gas shall be indemnified out of the assets of EASEE-gas against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any relief granted to him by the courts, and no Director or other Officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by EASEE-gas in the execution of the duties of his office or in relation thereto.

15. ANNUAL REPORT

15.1 The annual report of the Board

The Board shall present annually to the Members a report, verified by the Chairman and Treasurer or by a majority of the Board, describing the activities and accomplishments of EASEE-gas (during the preceding year) and containing a financial report addressing the following matters, amongst others:

- the assets and liabilities of EASEE-gas as of the end of the fiscal year immediately preceding the date of the report;
- the principal changes in the assets and liabilities during the year immediately preceding the date of the report;
- the revenue or receipts of EASEE-gas, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for EASEE-gas;
- the expenses or disbursements of EASEE-gas, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for EASEE-gas;
- the number of Members of EASEE-gas as of the date of the report, together with a statement of increase or decrease in such number during the year immediately preceding the date of the report, and a statement of the place where the Register of Members may be found;
- any recommendations made by the Advisory Panel; and
- the report of an audit group composed of two Full Members that are not represented on the Board (as appointed by the Members at a General Meeting of Members) or the report of an external auditor (as appointed by the Members at a General Meeting of Members), on EASEE-gas's financial administration.

The annual report of the Board shall be filed with the minutes of the annual General Meeting of the Members.

15.2 The annual report of the Executive Committee

The Executive Committee shall present annually to the Members a report describing the activities and accomplishments of EASEE-gas (during the preceding year), which shall contain a technical report addressing matters such as:

- the number and scope of Working Groups; and
- the number and scope of approved CBPs.

16. BUSINESS TRANSACTIONS

16.1 Property

EASEE-gas shall make no purchase of property nor sell, mortgage, lease or otherwise dispose of its property, unless authorized by a majority vote of the Board.

16.2 Negotiable instruments

Subject to Rule 7.11, all cheques or demands for money from and notes of EASEE-gas shall be signed by such Officer or Officers as the Board may designate.

17. CORPORATE RECORDS

EASEE-gas shall keep at its Registered Office:

- a copy of the Articles of Association, including all amendments thereto;
- the original or a copy of its Rules, including all amendments thereto, certified by the Secretary of EASEE –gas;
- an original or duplicate record of the proceedings of the Board;
- an original or duplicate record of the proceedings of the EC;
- an original or a duplicate Register of Members specifying the details of each Member, including inter alia the names of the Members, their respective addresses, their voting rights and other details of membership; and
- appropriate, complete, and accurate books or records of account.

18. AMENDMENTS TO THESE RULES

Subject to Article 11 of the Articles of Association:

- these Rules may be amended by the Board, with the affirmative vote of at least 75% of all Directors; and
- the change in the Rules must then be ratified by approval of 67% of those Full Members present (or by proxy) and eligible to vote at a General Meeting of Members.

ANNEX A – GAS INDUSTRY SEGMENT GROUPS

Group A

first Active Gas Industry Segment
third Active Gas Industry Segment
fifth Active Gas Industry Segment
seventh Active Gas Industry Segment

Group B

second Active Gas Industry Segment
fourth Active Gas Industry Segment
sixth Active Gas Industry Segment
eighth Active Gas Industry Segment

ANNEX B – INITIAL TERMS OF OFFICE OF BOARD AND EXECUTIVE COMMITTEE MEMBERS

Initial term of office of Directors:

Group A(*): 1 year

Group B(*): 2 years

Initial term of office of EC Members

Group A(*): 2 years

Group B(*): 3 years

(*) see Annex A

ANNEX C –EXAMPLE OF A PROXY FORM

[Name of Full Member]

FORM OF PROXY

relating to the General Meeting of Members to be held on [date] at [place] at [time].

We,

of

being Full Members in EASEE-gas hereby appoint [the Chairman of the meeting OR] as our proxy to vote for us on our behalf at the General Meeting of Members of EASEE-gas to be held at [time] on [date] and at any adjournment thereof.

Our proxy is to vote on the resolutions as follows:

Resolutions	Abstention	For	Against
1.			
2.			

In the absence of instructions, the proxy is authorised to vote (or abstain from voting) at his or her discretion on the specified resolutions. The proxy is also authorised to vote (or abstain from voting) on any other business which may properly come before the meeting.

DateSignature

NOTES

1. Please indicate how you wish your proxy to vote on the resolutions by inserting 'X' in the appropriate space.
2. The proxy must be under its common seal (if any) or the hand of its duly authorised agent or officer.
3. Once the proxy has been used, this proxy should reach the Secretary of EASEE-gas by way of EASEE-gas’s Registered Office, [address] not less than 48 hours before the time for the holding of the meeting or adjourned meeting together with any authority (or a notarially certified copy of such authority) under which it is signed.
4. If you wish to appoint a proxy other than the Chairman of the meeting, delete the words "the Chairman of the Meeting" and insert the name and address of your proxy in the space provided. Please initial the amendment. A proxy, who need not be a member of EASEE-gas, must attend the meeting in person to represent you.