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**CHAPTER I: Name - Registered office - Purpose – Duration**  
**Article 1 – Definitions**

For the application of the Statutes, the following definitions apply, unless the context requires otherwise:

1. "Agency": ACER, the European Union Agency for the Cooperation of Energy Regulators.
2. "Article": [one of the articles of these Statutes](#).
3. "Assembly": the General Assembly of the EU DSO Entity in accordance with Article 16 and with the tasks defined in Article 16.1.
4. "Associate Member": a [DSO that](#) is not a Member of the Association but meets certain minimum requirements laid down in Article 8 and has been granted the status of Associate Member by the Assembly.
5. "BCCA": the Belgian Code of Companies and Associations.
6. "Board" or "Board of Directors": the Board of Directors of the EU DSO Entity in accordance with Article 17.
7. "Business Day": a day which is not a Saturday, a Sunday, or a public holiday in the Brussels Capital Region.
8. "Category 1": Members with less than 100.000 Connected Customers;
9. "Category 2": Members with at least 100.000 and less than 1 million Connected Customers.
10. "Category 3": Members with at least 1 million Connected Customers.
11. "Commission": the European Commission.
12. "Conflict of Interest": any direct or indirect interest held by a Member, Associated Member, Observer, or any of their respective Representatives, or by a Director [or a Council member](#), which conflicts or may conflict with the interests of the EU DSO Entity [and](#) which may influence a specific decision-making process, thereby affecting the integrity or reliability of the outcome.
13. "Connected Customers": customers who are connected to the distribution grid through a metering point and who purchase electricity, [gas or hydrogen](#) for their own use. The number of connected customers of a Member is calculated by the number of metering points of this Member, [per type of energy](#).
14. "Councils": [the councils of EU DSO Entity in accordance with Article 18](#).
15. "Country Expert Group": a group of experts [of EU DSO Entity in accordance with Article 21](#).
16. "Director": a natural person who is member of the Board, meeting the requirements stated in Article 17.1.
17. DSO" or "Distribution System Operator": [an Electricity DSO, a Gas DSO, or a Hydrogen DSO, as the case may be](#).
18. "Electricity Directive": [Directive \(EU\) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity, as amended from time to time](#).
19. "Electricity Director": [a Director appointed on the proposal of an Electricity Member](#).
20. "Electricity DSO": a legal person responsible for operating, ensuring the maintenance of and, if necessary, developing the distribution system in a given area and, where applicable, its interconnections with other systems and, for ensuring the long-term ability of the system to meet reasonable demands for the distribution of electricity as defined in the Electricity Directive.
21. "Electricity Member": [an Electricity DSO admitted as a Member of EU DSO Entity](#).
22. "Electricity Regulation": Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity, [as amended from time to time](#).
23. "Emerging Technical Topic": [a Technical Topic not listed in Article 17.5 \(4\) or \(5\)](#).
24. "ENTSO for Electricity (ENTSO-E)": the European Network of Transmission System Operators for Electricity pursuant to article 28 of the Electricity Regulation.
25. "EU DSO Entity": the not-for-profit Association for European Union Electricity, [Gas and Hydrogen](#) Distribution System Operators, incorporated pursuant to the Statutes.

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26. "Expert Group": a group of experts organised pursuant to Article 21.
27. "Foreground IP": all intellectual property rights, inventions, results, information, and knowledge developed by a Member, Associate Member, or Observer, or any of their Representatives, as a result of the activities carried out within the framework of the EU DSO Entity.
28. "Gas Directive": Directive (EU) 2024/1788 on common rules for the internal markets for renewable gas, natural gas and hydrogen, as amended from time to time.
29. "Gas DSO": a legal person that carries out the function of distribution of natural gas and is responsible for operating, ensuring the maintenance of and, if necessary, developing the distribution system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of natural gas as defined in the Gas Directive.
30. "Gas Regulation": Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal market for renewable gas, natural gas and hydrogen, as amended from time to time.
31. "Gas/Hydrogen Director": a Director appointed on proposal of a Gas/Hydrogen Member.
32. "Gas/Hydrogen Member": a Gas and/or Hydrogen DSO admitted as a Member of EU DSO Entity.
33. "Hydrogen DSO": a natural or legal person that is responsible for operating, ensuring the maintenance of and, if necessary, developing a hydrogen distribution network in a given area and, where applicable, its interconnections with other hydrogen networks, and for ensuring the long-term ability of the network to meet reasonable demands for hydrogen transport as defined in the Gas Directive.
34. "Industrial Group": a group of undertakings associated as defined in points (11) and (13) of article 2 of Directive 2013/34/EU.
35. "Internal Procedures": the internal working rules of a corporate body or committee.
36. "Joint Topic": a topic classified as such by the Board pursuant to Article 17.5 or 17.6.
37. "Member": a DSO from one of the Member States of the European Union as admitted to membership in accordance with Article 6.
38. "Network Code": secondary legislation developed according to articles 58-61 of the Electricity Regulation and articles 70-73 of the Gas Regulation.
39. "Observer": any European Association which represent DSOs at EU level, or national associations representing DSOs that belong to an EU Member State or a non-EU country which participates in the European single market for electricity, gas or hydrogen via the European Economic Agreement (EEA) or is in bilateral agreements with the EU with the obligation to implement relevant EU energy legislation, in particular Network Codes, and which has been granted observer status by the Board pursuant to Article 10.
40. "President" of the Board and "President of the EU DSO Entity": a natural person who has been appointed as President of the Board and endorsed by the General Assembly as President of the EU DSO Entity. The President chairs the Board and the Assembly.
41. "Representative": a physical person, designated by a Member, Associate Member, Third Country Partner or an Observer in writing, who attends the Assembly or the Board (in the case of an Observer), and to the extent applicable, exercises the rights of the Member, the Associate Member, Third Country Partner or the Observer represented.
42. "Rules of Procedure": internal working rules adopted by the EU DSO Entity.
43. "Secretariat": the staff of the EU DSO Entity who together with the Secretary General assist and provide support to the bodies of the EU DSO Entity as provided in Article 22.3 as well as to the Councils, the Expert Groups, the Country Expert Group and the Strategic Advisory Group.
44. "Secretary General": the natural person appointed by the Assembly upon proposal of the Board to manage and represent the EU DSO Entity on a daily basis and to supervise the Secretariat.
45. "Single Topic": a topic classified as such by the Board pursuant to Article 17.5 or 17.6.
46. "Statutes": the statutes of the EU DSO Entity.

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47. "Strategic Advisory Group": a body of the EU DSO Entity composed of [Representatives](#) of the European DSO associations and DSO representatives of those Member States which are not represented in the Board.

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48. "[Strategic Topics](#)": all organisational matters, as well as matters of fundamental importance to the EU DSO Entity that (i) have a long-term impact on the EU DSO Entity; or (ii) involve commitments of significant financial, human, or reputational resources.

49. "[Technical Topics](#)": all topics other than Strategic Topics.

50. "Third Country Partner": a [DSO](#) from a third country outside the EU that meets the requirements laid down in Article 9 and has been granted the status of Third Country Partner by the Assembly.

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51. "Vice-President of the Board": a Director appointed by the Board from among its members as Vice-President of the Board belonging to one of the three categories of Members defined in Article 1 as Category 1, 2, or 3, as the case may be.

52. "Voting Power": the number of votes attributed to each Member, calculated proportionally to the number of Connected Customers, with the basis for calculation being that one metering point equals one vote.

## Article 2 – Name of the Association

1. The name of the Association is "EU DSO Entity".
2. The EU DSO Entity is governed by the provisions of the BCCA.
3. All documents of the EU DSO Entity issued to third parties, such as invoices, deeds, announcements and publications, shall include the name of the EU DSO Entity preceded or followed by the words "Internationale Vereniging zonder Winstoogmerk", abbreviated as "IVZW", or "Association Internationale Sans But Lucratif", abbreviated as "AISBL", as well as the address of its registered office, [its registration number in the Crossroad Bank of Enterprises and a reference to the Brussels region](#).

## Article 3 – Registered Office of the EU DSO Entity

1. The registered office is established in Belgium and shall be in the Brussels Capital Region.
2. [The registered office of the EU DSO Entity may be transferred to any other place in the Brussels Capital Region by the Board without the need to amend the Statutes.](#)
3. The registered office of the EU DSO Entity may be transferred to any other place in Belgium by a simple decision of the Assembly upon proposal of the Board, ~~without the need to amend the Statutes~~, provided the change of registered office does not entail a change of the language, in accordance with the prevailing Belgian laws on the use of languages.
4. The Board is authorised to set up administrative offices and branches both in Belgium and abroad.

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## Article 4 – General principles, Purpose and Activities of the EU DSO Entity

1. The EU DSO Entity represents all its Members regarding subjects within the scope of its purpose as defined in article 52.1 of the Electricity Regulation [and article 39 of the Gas Regulation](#). Distribution system operators shall, [and hydrogen distribution network operators may](#), cooperate at Union level through the EU DSO entity, in order to promote the completion and functioning of the internal market, and to promote optimal management and a coordinated operation of distribution and transmission systems.

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2. The EU DSO Entity is set up as an expert entity working for the common Union interest, the EU DSO Entity shall neither represent particular interests nor seek to influence the decision-making process to promote specific interests.

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3. The tasks of the EU DSO Entity to [realise its purpose](#) shall be:

- a) [for electricity](#), pursuant to article 55 of the Electricity Regulation, the following:
- i) promoting the operation and planning of distribution networks in cooperation with the operation and planning of transmission networks;
  - ii) facilitating the integration of renewable energy resources, distributed generation and other resources embedded in the distribution network such as energy storage;
  - iii) facilitating demand side flexibility and response and distribution grid users' access to the market;
  - iv) contributing to the digitalisation of distribution systems including deployment of smart grids and intelligent metering systems;
  - v) supporting the development of data management, cyber security and data protection in cooperation with relevant authorities and regulated entities;
  - vi) participating in the development of Network Codes and amendments to new or existing ones which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission networks and distribution networks pursuant to article 59 of the Electricity Regulation;
  - vii) cooperating with the ENTSO for Electricity on the monitoring of implementation of the Network Codes adopted pursuant to the Electricity Regulation which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission networks and distribution networks;
  - viii) cooperating with the ENTSO for Electricity and adopting best practices on the coordinated operation and planning of transmission and distribution systems, including issues such as exchange of data between operators and coordination of distributed energy resources;
  - ix) working on identifying best practices in the areas identified above and for the introduction of energy efficiency improvements in the distribution network;
  - x) adopting an annual work programme and an annual report;
  - xi) operating in full compliance with competition law and ensuring neutrality; and
  - xii) pursuant to article 59.3 of the Electricity Regulation, if the subject matter of the network code is directly related to the operation of the distribution system and not primarily relevant to the transmission system, the Commission may require EU DSO Entity, in cooperation with the ENTSO for Electricity, to convene a drafting committee and submit a proposal for a network code to ACER.

b) [for gas and hydrogen](#), pursuant to article 41 of the Gas Regulation, the following:

- i) [the tasks listed under 3. \(i\) a-f above;](#)
- ii) [the tasks listed under 3. \(i\) j-l above;](#)
- iii) [participating in the development of Network Codes which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission networks and distribution networks pursuant to the Gas Regulation, and contributing to mitigating fugitive methane emissions from the natural gas system;](#)
- iv) [when participating in the development of new Network Codes pursuant to article 71 of the Gas Regulation, complying with the consultation requirements as laid down in article 56 of the Electricity Regulation;](#)
- v) [cooperating with the ENTSO for Gas and the ENNOH on the monitoring of the](#)

implementation of the Network Codes and guidelines adopted pursuant to the Gas Regulation which are relevant to the operation and planning of distribution grids for natural gas and hydrogen and the coordinated operation of the transmission networks and distribution networks, and the hydrogen transmission networks and distribution networks;

- vi) cooperating with the ENTSO for Gas and the ENNOH and adopting best practices on the coordinated operation and planning of transmission and distribution systems, and hydrogen transmission and distribution networks, including issues such as the exchange of data between operators and the coordination of distributed energy resources;
- vii) working on identifying best practices for the implementation of the results of the assessments pursuant to article 23(1b) of Directive (EU) 2018/2001 and article 25 of Directive (EU) 2023/1791 and for the cooperation between operators of electricity distribution systems, of natural gas distribution systems, of hydrogen distribution networks and of district heating and cooling systems including for the purpose of the assessment pursuant to article 24(8) of Directive (EU) 2018/2001, including recommendations for the appropriate placement of electrolyzers with a view to ensuring the use of waste heat in district heating network;
- viii) providing input to the ENTSO for Gas for its reporting on gas quality with regard to the distribution systems where distribution system operators are responsible for gas quality management, as referred to in article 26(3) of the Gas Regulation; and
- ix) providing input to the ENNOH for the hydrogen quality monitoring report to be adopted pursuant to article 59(1), point (j), of the Gas Regulation with regard to the hydrogen distribution networks where hydrogen distribution network operators are responsible for hydrogen quality management pursuant to article 50 of Directive (EU) 2024/1788.

4. Any procedures in the Statutes, Rules of Procedures, and Code of Conduct shall safeguard that the decision-making process is transparent, and any actions, procedures, and rules adopted by the EU DSO Entity shall:

- a) safeguard unbundling rules that Members are subject to,
- b) safeguard fair and proportionate treatment of its Members,
- c) reflect the diverse geographical technical and economic structure of its membership, and
- d) safeguard a fair and balanced representation between Electricity and Gas/Hydrogen Members.

5. All Members, Associated Members, Observers, Third Country Partners, and their respective Representatives shall be bound to comply with the provisions of these Statutes, the Rules of Procedure, the Internal Procedures, as well as all decisions duly adopted by the Assembly and the Board. Furthermore, they undertake to respect and promote the interests of the EU DSO Entity in accordance with the applicable provisions of the Electricity Regulation and the Gas Regulation. In performing their duties and exercising their rights within the framework of the EU DSO Entity, they shall act in good faith and with loyalty towards the EU DSO Entity. They shall not exercise their rights in an unreasonable or arbitrary manner.

6. Each Director, irrespective of the Member by whom they have been nominated or whom they are deemed to represent, shall act in accordance with the general legal principles applicable to directors, including the duty of loyalty and the duty of care. In fulfilling their office, Directors shall act independently, in good faith, and in the exclusive interest of the EU DSO Entity as a whole and the common Union interest. Directors shall not exercise their rights in an unreasonable or arbitrary manner.

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7. The EU DSO Entity may carry out all acts in Belgium and abroad directly or indirectly related to the achievement of its purpose and activities including: (i) managing money or funds, provided they are used for activities related to the EU DSO Entity's purpose; and (ii) performing any other activities instrumental or ancillary to and, in any case, related to the EU DSO Entity's purpose. To that end, it may buy, sell, take on lease and let out, possess all movable and immovable property and facilities, mortgage the same, accept inter vivos and testamentary gifts subject to the requisite statutory authorizations.
8. In addition, the EU DSO Entity may carry out all activities, both in Belgium and abroad, which directly or indirectly further or promote the abovementioned not-for-profit objectives.

**Article 5 – Duration of the EU DSO Entity**

The EU DSO Entity is established for an indefinite term.

**Chapter II: Members, Associate Members and Observers**

**Article 6 – Membership**

1. Without prejudice to legal rules applicable to the candidate Member, and subject to assessment by the Assembly, the EU DSO Entity is open to all DSOs irrespective of their size and type, that satisfy the following criteria:
  - a) the candidate Member is designated as a DSO according to provisions in the laws of its EU Member state of origin, and
  - b) the candidate Member controls, or has access to, the financial means needed to fulfil the obligations which arise from its membership of the EU DSO Entity.
2. The Application for membership as a Member shall be addressed in writing, subject to the applicable forms, to the Secretary General and will be submitted to the assessment of the Board at its next meeting. If no unanimous vote is reached at the Board meeting or if the Board deems it appropriate, the application will be submitted to the assessment of the Assembly. If the candidate fulfils the criteria mentioned above, the Board, respectively the Assembly, has to consider the membership positively in light of the right of all EU DSOs to cooperate at Union level.
3. Admission shall only become effective after payment of the annual membership fee, as determined in Article 14, for the year in which the candidate is admitted as Member.
4. Where the legal identity of a Member changes as a result of a merger, separation, or in the case of a transfer of its responsibilities as DSO, the Member shall notify the Secretary General in due time. The Secretary General shall collect all information needed to assess the category the Member or new member will belong to. Subsequently, the change of category, transfer of membership or termination of membership, as the case may be, will be decided at the next meeting of (i) the Board of Directors or (ii) the Assembly, if the Board of Directors deems it necessary.

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**Article 7 – Conflicts of interest**

1. Whenever a matter is to be discussed or decided at a meeting of a corporate body of the EU DSO Entity and a member of such body or their representative has a Conflict of Interest in respect of that matter, then they must:

- a) declare such Conflict of Interest at the start of such meeting;
- b) remain only for such part of the meeting as, in the view of the other members, is necessary to inform the debate; and
- c) have no vote on the matter.

2. The minutes of such meeting will refer to the Conflict of Interest declared by such member or their representative.

3. Whenever a decision at a meeting has been taken and the Conflict of Interest has not been raised by the member concerned or their representative, such decision can be challenged and become invalid once the conflict of interest is revealed.

4. A corporate body, as referred to in this Article, shall be understood as meaning any of the bodies listed in Chapter III.

#### **Article 8 – Associate Members**

1. Without prejudice to legal rules applicable to the candidate, the Assembly may decide to admit as an Associate Member any DSO, constituted under the laws of its country of origin outside the EU, that applies the relevant EU energy law, provided the candidate Associate Member declares to dispose of, or has access to, the financial means needed to fulfil the obligations which arise from its membership in the EU DSO Entity.

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2. An application by a candidate Associate Member shall be addressed in writing, subject to the applicable forms, to the Secretary General and will be submitted to the approval of the Assembly at the next meeting of the Assembly.

3. Admission shall only become effective after payment of the annual Associate Member fee, as determined in Article 14 and in the Rules of Procedure, for the year in which the candidate is admitted as Associate Member.

4. An Associate Member has the rights and obligations mentioned in the Statutes. In particular, Associate Members have the right to attend the General Assembly and participate in the discussions in accordance with Article 16.2 but will not have any voting power and no formal participation in the Board of Directors. Associate Members are not entitled to nominate experts to the Experts Groups notwithstanding the options foreseen in Article 21.

#### **Article 9 – Third Country Partners**

1. The Assembly may decide to admit as Third Country Partners DSOs from other third countries outside the EU, with no agreements to apply the EU energy law.

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2. Cooperation with them would need to be set out under bilateral partnership agreements and after Commission's positive opinion.

3. An application by a candidate Third Country Partner shall be addressed in writing, subject to the applicable forms, to the Secretary General and will be submitted to the approval of the Assembly at the next meeting of the Assembly.

4. Admission shall only become effective after payment of the annual Third Country Partner fee, as determined in Article 14 and in the Rules of Procedure, for the year in which the

[candidate is admitted as Third Country Partner.](#)

5. A Third Country Partner Member has the rights and obligations mentioned in the Statutes. In particular, Third Country Partners may not attend the General Assembly and can only participate in Expert Groups according to the terms set out in the partnership agreement, but they cannot, however, participate in Expert Groups which develop proposals for EU rules, in particular network codes as referred to in article 55 of the Electricity Regulation [and article 41 of the Gas Regulation.](#)

#### Article 10 – Observers

1. Existing European Associations which represent DSOs at EU level, or national associations representing DSOs that belong to an EU Member State or a non-EU country which participates in the European single market for electricity, [gas or hydrogen](#) via the European Economic Agreement (EEA) or is in bilateral agreements with the EU with the obligation to implement relevant EU energy legislation, in particular Network Codes, are permitted to participate as [observers](#) in the meetings of the Board as established in the Rules of Procedure. Observers may be invited to attend the General Assembly meetings in accordance with Article 16.2.
2. An application by a candidate shall be addressed in writing, subject to the applicable forms, to the Secretary General and will be submitted to the assessment of the Board at the next meeting.

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#### Article 11 – Resignation and end of Membership

1. Without prejudice to legal rules applicable to each of them, Members, Associate Members, Third Country Partners and Observers have the right to resign from the EU DSO Entity provided that they give written notice of their intention to resign to the Secretary General at least six (6) months prior to the end of the calendar year.
2. Notwithstanding their resignation, Members, Associate Members, Third Country Partners, and Observers who resign shall remain liable for all due and unpaid fees or other existing obligations up to the time of their resignation becoming effective [as of January 1 of the following calendar](#) year and cannot claim reimbursement of any membership fee or any other expenses paid by it before the resignation. All membership rights shall be automatically withdrawn on the date the resignation becomes effective.

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#### Article 12 – Suspension of participation and/or voting rights of Members, Associate Members, Third Country Partners, and Observers

1. Without prejudice to legal rules applicable to Members, Associate Members and Third Country Partners, the Assembly, upon proposal of the Board, is entitled to suspend for a period of time in whole or in part the membership rights of Members, Associate Members, and Third Country Partners, including the voting rights of a Member in the Assembly and/or the participation in Expert Groups, [when such Members, Associate Members, or Third Country Partners are:](#)
  - a) conducting adverse or detrimental actions obviously contradicting the Assembly strategic decisions regarding the activities of the EU DSO Entity;
  - b) conducting onerous actions obviously contradicting the duties of a Member;
  - c) conducting onerous actions obviously contradicting the Assembly decisions;
  - d) obviously being in a Conflict of Interest; [or](#)

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e) late in payment of their membership fees, subject to paragraph 2 of Article 13.

2. In respect of the circumstances provided for in (a) to (e) above, the Member, the Associate Member or the Third Country Partner concerned shall, following a decision of the Assembly to suspend for a period of time in whole or in part the membership rights of Members, Associate Members and Third Country Partner, be given written notice by the Secretary General of such decision of the General Assembly and be required to fulfil its duties or cease the violation giving rise to the suspension within a given time frame, not exceeding 3 months, failing which the Member, the Associate Member and the Third Country Partners concerned shall be referred to the exclusion procedure.
3. The Member for whom suspension is proposed shall not be counted in determining the quorum and majority necessary for the decision of the Assembly.
4. If any of the above is envisaged, the Member, the Associate Member or the Third Country Partner shall have the opportunity of defending itself in front of the Assembly.
5. The Board of Directors is entitled to suspend Observers in case of the circumstances described in paragraph 1 a) to e). The Observer concerned shall be given written notice by the Secretary General of such decision of the Board and be required to fulfil its duties or cease the violation giving rise to the suspension within a given time frame, not exceeding 3 months, failing which the Observer concerned shall be referred to the exclusion procedure.

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#### **Article 13 – Exclusion of Members, Associate Members, Third Country Partners and Observers**

1. Exclusion of Members, Associate Members and Third Country Partners.
  - a) Without prejudice to legal rules applicable to Members, Associate Members and Third Country Partners, the Assembly is, upon proposal of the Board, entitled to exclude a Member, Associate Member and Third Country Partner on the following material default grounds: bankruptcy, liquidation or receivership, non-payment of membership fees (subject to paragraph 2 of this Article), or any other material infringement of the Statutes and/or of the Rules of Procedure which is not capable of being remedied.
  - b) The Assembly shall, upon proposal of the Board, decide to exclude a Member, Associate Member, or Third Country Partner in case that Member, Associate Member, or Third Country Partner's status of DSO has ceased due to the loss of its distribution license.
  - c) Regarding the conditions foreseen in Article 13 (1) (a) and (b), the Member, the Associate Member and the Third Country Partner concerned, shall be given written notice by the Secretary General of the decision of the Assembly referred to in said Articles and as required in its duties or cease the violation giving rise to exclusion within a certain time frame, not to exceed 3 months.

2. The Board of Directors may refer a Member, Associate Member, or Third Country Partner to the Assembly for exclusion in accordance with this Article if:

a) such Member, Associate Member, or Third Country partner has not paid its annual membership fee by the deadline of the second payment request sent by the Secretariat to the (email) address designated by such Member, Associate Member, or Third Country partner on the Member Portal;

b) following the deadline of the second payment request, such Member, Associate Member, or Third Country partner has not paid its membership fee within fourteen (14) days of the date on which a payment reminder was sent by the national association to which that Member, Associate Member, or Third Country Partner belongs, if any; and

c) following the fourteen (14) day period after the payment reminder, or, if the Member, Associate Member, or Third Country Partner does not belong to a national association, the deadline of the second payment request, a third payment request has been duly served by registered letter to the official registered address provided by the Member, Associate Member, or Third Country Partner on the Member Portal. If no official registered address is provided by the Member, Associate Member, or Third Country Partner in the Member Portal, an email to the email address provided by the Member, Associate Member, or Third Country Partner on the Member Portal shall suffice.

3. The voting rights of a Member, Associate Member, or Third Country Partner referred to the Assembly for exclusion in accordance with paragraph 2 shall be suspended until a final decision by the Assembly regarding the exclusion of such Member, Associate Member, or Third Country Partner is made.

As relates to paragraphs 2 and 3 only, in case of conflict between this provision and the bilateral partnership agreement between the EU DSO Entity and a Third Country Partner, the bilateral partnership agreement shall prevail.

4. If any of the above is envisaged, the Member, the Associate Member, or the Third Country Partner shall have the opportunity of defending itself in front of the Assembly. Until the final decision of the Assembly to exclude a Member, an Associate Member, or a Third Country Partner, the Assembly may, upon proposal of the Board, decide to suspend in whole or in part the membership rights of Members, Associate Members, and Third Country Partners. The Assembly shall render its decision within 6 months from the start of the exclusion procedure.

5. The Member for whom exclusion is proposed shall not be counted in determining the quorum and majority necessary for the decision of the Assembly concerning the exclusion of this Member.

6. Notwithstanding their exclusion, excluded Members, Associate Members, and Third Country Partners shall remain liable for all due and unpaid fees or other existing obligations prior to their exclusion and cannot claim reimbursement of any membership fee or any other expenses paid by them before the exclusion. All membership rights shall automatically cease on the date the exclusion is pronounced by the Assembly. In case an excluded Member forms an electricity/gas pair (i.e., one Electricity Member and one Gas/Hydrogen Member) with another Member by virtue of being clearly affiliated with that Member, both Members shall be jointly and severally liable for the unpaid fee.

7. The Board of Directors is entitled to exclude Observers in case of material infringement of the Statutes and/or of the Rules of Procedure which is not capable of remedy.

8. The Board shall decide to exclude an Observer if its status of European or national association representing DSOs ceases.

9. If any of the above is envisaged, the Observer shall have the opportunity of defending itself in front of the Board. Until the final decision of the Board to exclude an Observer, it may suspend the rights of the Observer concerned. The Board shall render its decision within 6 months from the start of the exclusion procedure.

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## Article 14 – Fees

1. The funds required to carry out the tasks of the EU DSO Entity will be raised by contributions from the Members, Associate Members and Third Country Partners. For each financial year, the Assembly approves the annual budget and determines the membership fees upon proposal of the Board. The assessment of the membership fee must be based on the approved budget.
2. The membership fee shall be fair and proportionate and shall reflect the number of Connected Customers to the DSO concerned. Until the decision on a change of the membership fee rules by the Assembly, the membership fee rules decided upon remain valid.
3. The membership fee of a Member is calculated as follows:
  - a) All Members of the EU DSO Entity shall pay a fixed fee to be approved annually by the General Assembly upon proposal of the Board.
  - b) A Member (i.e., a single legal entity) who meets the definition of both Electricity and Gas/Hydrogen DSO shall pay an amount equal to one hundred and fifty percent (150%) of the annually approved fixed fee.
  - c) Two Members forming an electricity/gas pair (i.e., one Electricity Member and one Gas/Hydrogen Member) by virtue of being clearly affiliated with one another shall each pay an amount equal to seventy-five percent (75%) of the annually approved fixed fee.
  - d) In addition, every Member shall pay a variable fee proportional to the number of Connected Customers as defined in Article 1.13 and to be approved annually by the General Assembly upon proposal of the Board.
  - e) Associate Members and Third Country Partners shall pay 50% of the annual membership fee resulting from the application of a) and b), but, in any case, a membership fee that is not less than the minimum as determined in the Rules of Procedure.

## Chapter III: Bodies of the EU DSO Entity Article 15 – Bodies of the EU DSO Entity

1. The bodies of the EU DSO Entity are:
  - a) the General Assembly;
  - b) the Board of Directors.
2. The EU DSO Entity also consists of:
  - a) the Councils;
  - b) the Secretary General;
  - c) the Strategic Advisory Group;
  - d) the Expert Groups including a Country Expert Group.

## Article 16 – The Assembly

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¶ Each Member, Associate Member, Third Country Partner and Observer undertakes to comply with the rules issued by the bodies of the EU DSO Entity in accordance with the Statutes and with the Rules of Procedure.¶

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**Article 16.1 – Composition, powers and tasks**

1. The Members of the EU DSO Entity shall constitute the Assembly.
2. The Assembly is the leading body of the EU DSO Entity and has full powers to enable the achievement of the EU DSO Entity's purpose. All powers not specifically attributed to the other bodies of the EU DSO Entity belong to the Assembly, including the possibility to supervise and challenge Board decisions.
3. In particular, the Assembly is responsible for:
  - a) the adoption of strategic decisions regarding the activities of the EU DSO Entity;
  - b) the establishment of policy guidelines for the Board;
  - c) ~~as the case may be the admission, suspension or exclusion of Members, Associate Members and Third Country Partners;~~
  - d) the adoption and the amendment of the Statutes, the Code of Conduct and/or of the Rules of Procedure;
  - e) the election and dismissal of the members of the Board;
  - f) the endorsement of the President of the Board nominated by the Board as President of the EU DSO Entity;
  - g) the appointment and dismissal of the Secretary General upon proposal of the Board;
  - h) the appointment and dismissal of the statutory auditors, if any, and the determination of their remuneration upon proposal of the Board;
  - i) the endorsement of decisions of the Board on Network Codes and deliverables resulting from tasks described in Article 17.1;
  - j) the granting of discharge to the members of the Board and, where required, to the statutory auditors;
  - k) the adoption of an annual work programme, upon the proposal of the Board;
  - l) determination of the annual membership fee and time limit for paying it, upon proposal of the Board;
  - m) the approval of the budget and of the annual accounts of the EU DSO Entity;
  - n) the establishment and dissolution of Expert Groups, upon proposal of the Board;
  - o) the establishment of a Country Expert Group;
  - p) ~~establishment and dissolution of the Council(s) and appointment of its members, upon proposal of~~ the Board;
  - q) the delegation of the adoption of decisions on specific issues or in circumstances precisely defined to the Board and/or the Expert Groups;
  - r) the dissolution of the EU DSO Entity and any decisions relating thereto, including appointment of liquidator(s) and allocation of assets to an altruistic purpose, in accordance with Article 27.

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**Article 16.2 – Appointment, attendance, proxy and representation**

1. Each Member shall appoint a Representative to attend Assembly meetings, who is authorised to exercise that Member's rights; and shall notify the Secretary General of this appointment. However, if a Member's Representative is unable to attend an Assembly meeting, that Member may be represented by a substitute representative, to the extent that the name of such substitute representative has been notified to the Secretary General at least 24 hours before the Assembly meeting in order to be admitted.
2. A Member is also allowed to give a proxy to a Representative of another Member, to a national association representing DSOs designated by the corresponding Member State or to a European Union association representing DSOs. Such delegation has to be notified to the Secretary General at least 24 hours before the Assembly meeting, in order to be

admitted and cannot authorise further delegation of the Member's powers to any other person. Members may revoke any delegation in whole or part, or alter its terms and conditions.

3. Associate Members and the Secretary General of the EU DSO Entity shall have the right to attend Assembly meetings and can participate in the discussions but shall have no voting rights. The auditor of the EU DSO Entity shall also attend every time the Assembly is convened to consider any report prepared by the auditor.

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4. In accordance with the provisions of the Rules of Procedures and this Article, one or more Observers and other interested persons (e.g. researchers and/or technical experts) can be invited, at the initiative of the President of the EU DSO Entity, to attend the whole or parts of the meetings of the Assembly in case the President considers their presence is needed for a specific point on the agenda. Such persons shall not have any voting rights and shall be subject to confidentiality undertakings.

#### Article 16.3 – Meetings

1. An annual Assembly meeting shall be held in the second quarter of each calendar year, the date and place to be decided by the President. Notice of the date of the annual Assembly meeting shall be given at least one (1) month prior to the date of the meeting.
2. An Assembly meeting may be convened whenever requested by the President of the EU DSO Entity or the auditor of the EU DSO Entity. In addition, a meeting of the Assembly must be convened by the President of the EU DSO Entity or by the auditor of the EU DSO Entity, whenever Members representing at least one fifth of the Members or of the total number of Connected Customers, so request.
3. The Secretary General shall notify the Members of the requested Assembly meeting. Notices shall:
  - a) specify the time and place of the meeting (which shall be Brussels, unless indicated otherwise in the notice);
  - b) include an agenda, and, where deemed appropriate by the President, include a proposal for decision for each item of the agenda submitted for decision. Any proposal for an item on the agenda signed by Members representing at least one-fifth of the voting power or one-fifth of the Members must be added to the agenda; and
  - c) be delivered to each Member by e-mail, at least one (1) month before the meeting unless the President considers that, due to a specific time constraint, shorter advance notices are needed. In this case, the Secretary General shall have the possibility to deliver the notices to each Member by e-mail, at least two (2) weeks before the meeting.
4. The deliberations and decisions of the Assembly meeting shall be recorded by the Secretary General. The minutes shall be signed by the Secretary General and the President. If the Secretary General is absent, the Assembly shall designate among those present a person to record the deliberations and sign these minutes together with the President.
5. Excerpts shall be signed by the President and the Secretary General.

#### Article 16.4 – Quorum and Voting

1. Each Representative of a Member shall exercise the number of votes attributable to the Member he or she represents in accordance with this Article 16.4 and following Articles. The Voting Power of each Member is proportionate to the number of Connected Customers of the DSO Member concerned according to Article 1.13 and shall be reviewed annually before the annual meeting of the General Assembly meeting according to the figures corresponding to 31 of December of the penultimate year.
2. The voting procedure in the Assembly is designed to lead to fair and proportionate results regarding the structure of its Membership and ensures any other requirements resulting from the Electricity Regulation [and Gas Regulation](#) are regarded.
  - a) In order to allocate the number of votes for each Member, the Secretary General shall, in cases of doubt, request Members for proof of the number of Connected Customers provided by the relevant National Regulatory Authority or other independent body within a maximum of 5 calendar days prior to the Assembly.
  - b) Electronic voting, as the default voting system, will have to be organized, taking into account the large number of Members' representatives (each with possible proxy and possible representation by national or EU association), and given the precise quorum and majority rules.
3. [In accordance with article 10:7/1 of the Belgian Company Code, voting can take place electronically at or prior to the meeting of the Assembly. The practical arrangements are set forth in the Internal Procedures of the Assembly. With regard to compliance with the conditions relating to attendance and majority, Members participating in the Assembly in this manner are deemed to be present at the place where the Assembly is held. The EU DSO Entity will verify the capacity and identity of the Member by means of the electronic communication tool used. Additional conditions may be imposed on the use of the electronic communication tool, with the sole objective of ensuring the security of the electronic communication tool. The electronic communication tool will enable the Member to follow the discussions during the Assembly directly, simultaneously, and without interruption, and to exercise their voting rights on all items on which the Assembly is to decide. The electronic communication tool will also enable the Members to participate in the deliberations and ask questions, unless the administrative body explains in the notice convening the Assembly why it does not have such electronic communication tool. The notice convening the Assembly shall include a clear and precise description of the procedures relating to remote participation. Those procedures shall also be made available on the association website to those who are entitled to participate in the Assembly. The minutes of the Assembly shall mention any technical problems and incidents that prevented or disrupted participation by electronic means in the Assembly or in the vote.](#)
4. Unless specified otherwise, the Assembly meeting shall only be quorate when the Members attending or represented at the Assembly represent at least 65% of the total Voting Power of all Members (as specified in Article 1.52 of the Statutes). In case this attendance quorum is not met, the President shall call a second meeting for which a quorum of 35% of the total Voting Power of all Members present or represented shall apply.
5. This second meeting can be convened with the same agenda and under the same conditions as the first one, which shall validly deliberate. This second meeting cannot be held later than six (6) weeks after the first meeting.
6. The Assembly shall aim to achieve unanimity of all Voting Power present or represented for all decisions to be taken including the endorsement of certain Board decisions. When no such unanimity can be reached, a decision or endorsement of the Assembly shall be

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adopted according with the following rules:

- a) each Member disposes a number of votes proportional to the number of that Member's Connected Customers; 65% of the votes attributed to the Members present or represented are cast; and
- b) the decision is adopted when both
  - i) more than 50% of the votes attributed to the Members present or represented are in favor of the proposed decision; and
  - ii) at least 55% of the Members present or represented are in favor of the proposed decision.
- c) the decision is adopted by a special majority of 80% of the votes attributed to the Members present or represented with a quorum of 2/3 of the Members for:
  - i) any amendments to the Statutes, the Rules of Procedure and Code of Conduct;
  - ii) the dissolution of the EU DSO Entity

7. Decisions of the Assembly are rejected according to the following rules:

- a) each Member disposes a number of votes proportional to the number of that Member's Connected Customers;
- b) 35% of the votes attributed to the Members are cast and the decision is rejected by at least 25% of the Members.

8. In case of a qualified and special majority, an abstention shall not be taken into account when calculating the majorities concerned.

9. If the President is absent, the Assembly shall designate among those present a Representative to chair the meeting of the Assembly.

10. The Assembly may adopt a procedure of provisional endorsement, subject to final approval at the annual meeting of the General Assembly, of any Board decision on the formulation and development of network codes, guidelines, and other implementing or delegated acts developed under the Electricity Regulation, Electricity Directive, Gas Regulation, and Gas Directive, and any other document of a similar nature. Alternatively, and to the extent that delegation is allowed under applicable law, the Assembly may delegate the formulation and implementation of these tasks, and any other tasks the Assembly deems appropriate, to the Board.

## Article 17 – The Board

### Article 17.1 – Composition, powers and tasks

1. The EU DSO Entity shall be managed by a Board, composed of the President and thirty-three (33) Directors, of which:

- a) a maximum of 21 Directors ("Electricity Directors") represent the Electricity Members as follows:
  - i) category 1: seven (7) are representatives of Members with less than 100 000 connected customers;
  - ii) category 2: seven (7) are representatives of Members with at least 100 000 and less than 1 million connected customers; and
  - iii) category 3: seven (7) are representatives of Members with at least 1 million

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Whenever a Member, Associate Member or their Representative of the Assembly finds himself or herself in a situation that gives rise or is reasonably likely to give rise to a Conflict of Interest, he or she must declare his or her interest to the Members unless, or except to the extent that, the other Members are or ought reasonably to be aware of it already. If any question arises as to whether a Member, Associate Member or their Representative has a Conflict of Interest, the question shall be decided by a simple majority decision of the Assembly. Whenever a matter is to be discussed or decided at a meeting and a Member, Associate Member or their representative has a Conflict of Interest in respect of that matter then, he or she must:  
remain only for such part of the meeting as in the view of the other Members is necessary to inform the debate;  
not be counted in the quorum for that part of the meeting; and

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connected customers.

b) a maximum of 12 Directors ("Gas/Hydrogen Directors") represent the Gas/Hydrogen Members as follows:

- i) category 1: four (4) are representatives of Members with less than 100 000 connected customers;
- ii) category 2: four (4) are representatives of Members with at least 100 000 and less than 1 million connected customers; and
- iii) category 3: four (4) are representatives of Members with at least 1 million connected customers.

2. Starting after the second election of the Board following the Assembly of [DATE TO BE INSERTED], the Assembly shall, on each occasion of the election of the Board, reassess its composition. In the event that:

(i) the 50/50 average variation of:

(a) (1) the total number of Connected Customers represented by all Electricity Members, and (2) the total number of all Connected Electricity Customers of DSOs in the EU; or

(b) (1) the total number of Connected Customers represented by all Gas/Hydrogen Members and (2) the total number of all Connected Gas/Hydrogen Customers of DSOs in the EU,

in comparison to the year of the first year of integration of Gas/Hydrogen Members in the EU DSO Entity, exceeds 20%, or

(ii) the Connected Customers of all Electricity Members or all Gas/Hydrogen Members represent less than sixty percent (60%) of the total number of Connected Customers for all Electricity DSOs, all Gas DSOs and all Hydrogen DSOs within the EU member states.

the Assembly shall, pursuant to the voting rules in the Assembly for amending the Statutes, in good faith, and in the best interests of the EU DSO Entity, amend the composition of the Board so as to ensure that it accurately reflects the revised representativeness of the Members.

3. Notwithstanding other limitations set forth in these Statutes, the Board shall have no more than (i) four (4) representatives of Members established in the same Member State, and (ii) three (3) representatives of Members belonging to the same Industrial Group.

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4. The Board and the President of the Board shall be nominated and elected as per the procedure set out in Annex 1 to these Statutes.

5. One (1) Representative per existing European and national association representing DSOs in the EU is permitted to participate as Observers at the meetings of the Board.

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6. The Directors are elected by the Assembly for a term of maximum four (4) years with the possibility of renewal. Eligible candidates are equipped with decision-making authority. Directors shall incur no personal obligation because of their office and shall be liable only for the performance of their office. Candidates for the Board are voted for per physical person.

7. The Directors may be dismissed at any time by the Assembly for serious and justified reasons in the following circumstances:

- a) conducting actions obviously contradicting the interest of the EU DSO Entity;
- b) conducting actions obviously contradicting the duties of a member of the Board;
- c) conducting actions obviously contradicting the Board decisions; and/or
- d) being in a situation of Conflict of Interest.

8. A member of the Board of Directors has the right to resign from his/her position at any time during his/her mandate. A Director shall be considered to have resigned with immediate effect in case he or she ceases to be working for a Member he or she represents. A Director may resign by notifying his or her decision to the Directors of the Board and the President, who informs the Secretary General and the Assembly.

9. In case of resignation or dismissal of a Director, the process of finding a replacement for the resigning Director shall be initiated immediately after receipt of the notice of resignation or dismissal. The company of the resigning or dismissed Director of the Board is responsible for his or her replacement by appointment of another representative from the same Member to be agreed by the majority of Directors within the same category. The replacing Director is an interim replacement until the next election of the Directors of the Board.

10. In case the company of a Director is not any longer a Member of the EU DSO Entity, the office of the Director appointed on proposal of such Member shall terminate automatically at the date of termination of the membership of such Member. The Board shall co-opt a replacing Director of the same type and category as the resigning Director from the reserve list of candidates to the Board of Directors described in Article 4 of Annex 1 hereto. The replacing Director is an interim replacement until the next election of the Directors of the Board.

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11. The Board shall be entrusted with the following powers:

- a) lead cooperation between transmission system operators and distribution system operators pursuant to articles 56 and 57 of the Electricity Regulation (EU)2019/943;
- b) take decisions regarding the management of the EU DSO Entity in line with the strategic decisions regarding the activities of the entity as well as policy guidelines adopted by the Assembly;
- c) follow-up and execution of the other decisions of the Assembly;
- d) approval of technical papers within the framework of its institutional duties and the general strategy of the EU DSO Entity adopted by the Assembly, as proposed by the Councils and prepared by the Expert Groups;
- e) proposal to the Assembly of the amount of the annual membership fee;
- f) proposal of exclusion and suspension of Members, Associate Members, Third Country Partners and Observers in accordance with Articles 12 and 13;
- g) coordination of the work of and between the Expert Groups and the Councils;
- h) preparation of the agenda for Assembly meetings;
- i) drafting of proposals regarding the annual work programmes to the Assembly, implementation of the annual work programmes as adopted by the Assembly and delegation of part of it to the relevant Expert Groups and/or Councils;
- j) preparation and approval of the annual report, accounts, budget and strategy for submission to the Assembly;
- k) issuing a recommendation to the Assembly on any application for the status of Associate Member;
- l) co-ordination of the overall representation of the EU DSO Entity;

- m) proposal to appoint and dismiss the Secretary General;
- n) supervision of the Secretary General;
- o) creation, removal and definition of staff members' positions, policies and remuneration, appointment of the management and support for the structure of the EU DSO Entity;
- p) decision on issues delegated by the Assembly to the Board;
- q) proposal to the Assembly of the establishment and dissolution of the Expert Groups and/or Councils and of the corresponding [Internal Procedures](#);
- r) appointment of members to the Expert Groups [and additional members of the Councils in accordance with the principles set forth in Articles 18 and 21, also taking into account](#)
  - i) the expertise of the candidate,
  - ii) a fair geographical representation and a balance between Members,
  - iii) a gender balance in line with the strategy developed pursuant to paragraph 11, x) of this Article;
- s) approval of the Chairpersons and Vice chairperson(s) of each Expert Group upon proposal of each Expert Group;
- t) appointment of the members of the Country Expert Group upon proposal of the DSOs from each country represented at the Assembly.
- [u](#)) decision on internal audit, audit reports and related action plans concerning internal audit activities;
- [v](#)) [approval of the Terms of Reference of the Councils, Expert Groups, Country Expert Group, and Strategic Advisory Group](#);
- w) decision upon all powers entrusted to the Board in the Statutes;
- x) establishment of a Strategic Advisory Group;
- y) development of a gender balance strategy, with annual revision of the targets in accordance with the Commission's Strategy of the EU on gender equality 2020-2025 adopted on 5 March 2020 and further gender balance policy initiatives and targets at EU level.

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#### **Article 17.2 – Tasks of the President and the Vice-Presidents**

1. The President of the Board or, in his or her absence, a Vice-President of the Board, shall chair the meetings of the Board. If neither the President of the Board nor one of the three Vice-Presidents of the Board is present, the Board shall designate among those present a member of the Board to chair the meeting.
2. The President of the Board and the Vice-Presidents of the Board may invite at their initiative external persons (e.g. researchers and/or technical experts) to attend the meetings of the Board for specific issues, but such persons shall not have any voting power. In such a case, the persons concerned shall, if so required, previously commit in writing to the EU DSO Entity to be bound by confidentiality with respect to the issues dealt with in the relevant meeting.

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[Nomination Committee...](#)

#### **Article 17.3 – Meetings**

1. A Board meeting shall be held physically, by telephone, video-conference, or any other means which allow the Directors to deliberate. In exceptional circumstances, the Board can take decisions in writing (including electronically). In this exceptional case, only decisions taken unanimously are lawfully adopted, being an exception to the rule laid down in Article 17.4.
2. The Board shall be convened by the President of the Board each time the interests of the EU DSO Entity require it and must meet at least two (2) times a year. In addition, the Board shall convene if at least five (5) Board members so require, in which case the aforementioned members may determine the agenda of such meeting.

3. Notice of a meeting shall be given to the members of the Board by e-mail at least one (1) week before the meeting. The notice of a meeting shall specify the time and place of the meeting (which shall be Brussels, unless exceptional circumstances indicated in the notice), include the agenda and shall, where deemed appropriate by the President of the Board, for each item of the agenda submitted for decision, include a written proposal of decision. In advance of a meeting which has already been convened, new items shall be added to the agenda, only if at least two (2) Board members so require.
4. At the meeting, the Board may only take decisions on items included on the agenda, unless all Directors are present or represented and resolve unanimously to include a new item on the agenda which was raised during the meeting.
5. The Secretary General shall assist the President at the meeting and shall record the minutes of the meeting of the Board. If the Secretary General is absent, this task shall be performed by a person appointed by the Secretary General, or, if no such person has been appointed, by a person appointed by the President.
6. If a Director is unable to attend a Board meeting such Director is allowed to give a proxy to another Director. Such delegation cannot authorise further delegation of the Director's powers to any other Director. Directors may revoke any delegation in whole or part, or alter its terms and conditions. In both cases, the Director concerned shall previously notify the delegation to the President of the Board.

**Article 17.4 – Quorum and voting**

1. The Board shall only be quorate when (i) at least half of the Electricity Directors and half of the Gas/Hydrogen Directors, and (ii) at least three (3) Directors from each Category are present or represented. Each Director has one (1) vote.
2. The Board shall aim to achieve unanimity of all Directors present or represented. Directors shall not unreasonably withhold their vote for a proposal.
3. When no such unanimity can be reached, decisions of the Board shall be adopted by a double majority of the Directors comprising (i) a simple majority of all Electricity Directors, and (ii) a simple majority of all Gas/Hydrogen Directors present or represented at the meeting.
4. Prior to deciding on Technical Topics and Emerging Technical Topics, the Board shall follow the classification procedure set out in Articles 17.5 and 17.6, respectively.
  - a) After the Board has classified a Technical Topic or an Emerging Technical Topic as a Single Topic, it shall decide by a majority of the Electricity Directors or Gas/Hydrogen Directors, as applicable.
  - b) After the Board has classified a Technical Topic or an Emerging Technical Topic as a Joint Topic, it shall decide by a double majority comprising: (i) a simple majority of all Electricity Directors, and (ii) a simple majority of all Gas/Hydrogen Directors present or represented.
5. Decisions taken by the Board shall be notified no later than five (5) Business Days after the relevant meeting of the Board via the intranet of the EU DSO Entity or via e-mail by the Secretariat to:

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- a) the Representatives of all the Members and Observers of the EU DSO Entity;
  - b) all the members of the Board and to the Chairpersons of each of the Expert Groups;
  - c) [all members of the Councils](#);
  - d) [all members of](#) the Strategic Advisory Group; and
  - e) [all members of](#) the Country Expert Group.
6. Proposals for draft Network Codes that shall be brought for decision to the Board of Directors have to be notified to:
- a) the Representatives of all the Members and Observers of the EU DSO Entity;
  - b) all the members of the Board and to the Chairpersons of each of the Expert Groups;
  - c) [all members of the Councils](#);
  - d) [all members of](#) the Strategic Advisory Group; and
  - e) [all members of](#) the Country Expert Group.
7. The Secretariat will provide the information via the intranet of the EU DSO Entity or via email fourteen (14) days prior to the decision of the Board to all Members, Councils, Expert Groups, Country Expert Group and Strategic Advisory Group.
8. The Secretary General is entitled to attend the meetings of the Board without voting power.
9. The minutes of the Board meeting shall be signed by the President of the Board and the Secretary General and kept at the registered office of the EU DSO Entity and on the intranet.

#### **Article 17.5 – Classification of Technical Topics**

1. Technical Topics require classification by the Board before it can decide on them.
2. The Board shall confirm the classification of Technical Topics that are listed under Article 17.5 (4) and (5) as Single Topics, unless material circumstances related to the criteria of Article 17.6 (3) justify classification as a Joint Topic.
3. The Board shall confirm classification of Technical Topics by a double majority vote, requiring: (i) a simple majority of all Electricity Directors, and (ii) a simple majority of all Gas/Hydrogen Directors present or represented at the meeting.
4. Technical Topics shall include, for Electricity: (i) the formulation and development of network codes, (ii) guidelines, (iii) other implementing or delegated acts developed under the Electricity Regulation or Electricity Directive, and (iv) any other document of a similar nature.
5. Technical Topics shall include, for Gas/Hydrogen: (i) the formulation and development of network codes, (ii) guidelines, (iii) other implementing or delegated acts developed under Gas Regulation or Gas Directive, and (iv) any other document of a similar nature.

#### **Article 17.6 – Classification of Emerging Technical Topics**

1. Emerging Technical Topics require classification by the Board before it can decide on them.
2. The Board shall classify each Emerging Technical Topic as either a Joint Topic or a Single Topic by a double majority vote, requiring: (i) a simple majority of all Electricity Directors,

and (ii) a simple majority of all Gas/Hydrogen Directors present or represented at the meeting.

3. The Board shall classify Emerging Technical Topics based on a proposal from the Secretariat and/or relevant Council, and the following criteria:

i) The regulatory framework upon which the Emerging Technical Topic is based by the European Commission or ACER, including the Electricity Regulation, Electricity Directive, Gas Regulation, and Gas Directive, as well as the presence (or absence) of a specific invitation to ENTSO-E and/or ENTSO-G;

ii) The technical relevance to Electricity and/or Gas Members, and whether the Emerging Technical Topic requires a substantial physical or digital interaction between Electricity and Gas Members; and

iii) The financial impact on Electricity and/or Gas Members that would stem from the implementation of the Emerging Technical Topic.

#### **Article 17.7 – Re-classification**

1. In exceptional cases, upon reviewing a draft proposal from the Expert Groups, when they can demonstrate a material impact related to the criteria of Article 17.6 (3) on their Members and if they are entitled to decide on a Single Topic, Electricity Directors and Gas/Hydrogen Directors, respectively, may re-classify that Single Topic to a Joint Topic, by a simple majority of Electricity or Gas/Hydrogen Directors, as applicable.

2. In exceptional cases, upon reviewing a draft proposal from the Expert Groups, when they can demonstrate a material impact related to the criteria of Article 17.6 (3) on their Members, Electricity Directors and Gas/Hydrogen Directors, respectively, may request the re-classification of a Joint Topic to a Single Topic, by a simple majority of Electricity or Gas/Hydrogen Directors, as applicable. The Board shall decide on the re-classification by the majority set out in Article 17.4 (3).

#### **Article 17.8 – Separate opinion**

1. When they can demonstrate a material impact related to the criteria of Article 17.6 (3) (b) on their Members, Electricity Directors and Gas/Hydrogen Directors, respectively, may decide by a simple majority of Electricity or Gas/Hydrogen Directors, as applicable, to include the opinion of their Directors in the final proposal of a Board decision.

#### **Article 17.9 – Additional provisions on decision-making**

1. This Article supersedes Articles 17.4, 17.5, 17.6, 17.7 and 17.8

2. All Board decisions shall require a double majority comprising: (i) a simple majority of all Electricity Directors, and (ii) a simple majority of all Gas/Hydrogen Directors present or represented at the meeting.

3. The Board shall decide on an annual basis, based on a factual overview to be provided by the Secretariat of the manner in which decisions are taken, whether to continue applying the decision-making procedure set forth in Article 17.9 (2), in accordance with the voting procedure established in Article 17.9 (2). If the Board does not agree to continue to apply Article 17.9 (2), all Board decisions shall henceforth be governed by Articles 17.4, 17.5, 17.6, 17.7 and 17.8, and this Article 17.9 shall no longer apply.

4. When they can demonstrate a material impact related to the criteria of Article 17.6 (3) on their Members, Electricity Directors and Gas/Hydrogen Directors, respectively, may request the Board, by a simple majority of Electricity or Gas/Hydrogen Directors, as applicable, to decide on a topic as a Single Topic. The Board shall decide on this request by the majority set out in Article 17.9 (2).

#### **Article 18 - The Councils**

1. The Councils are created and dissolved upon proposal of the Board to the Assembly on a permanent or temporary basis.

2. The appointment of the members of the respective Councils shall be conducted with due consideration to the following criteria:

- a) the member possesses the requisite managerial seniority, expertise and experience relevant to the scope of the Council to which they are being appointed;
- b) geographical representation and balance to reflect the diverse regions and interests of the Members;
- c) gender balance in line with the strategy developed by EU DSO Entity.

3. Each of the Councils shall balance the workload for the Board and will be entrusted with the following powers:

- a) the preparation and drafting of technical papers requested by the Board, within the framework of the institutional duties and general strategy of EU DSO Entity in close collaboration with the Expert Groups; such papers shall be submitted to the Board for review and approval;
- b) any matter specifically referred to a Council by the Board or the Assembly.

4. The number of members (up to thirty-nine (39)) and composition of the Councils shall be determined by the Board, based on the following principles:

- a) each elected Electricity Director or Gas/Hydrogen Director shall be a member of the Electricity Council or the Gas/Hydrogen Council, respectively, provided that such Director has either expressed their intention to join the relevant Council at the time of their candidacy or has nominated a senior management colleague from the same Member to serve in their place;
- b) each Electricity Director or Gas/Hydrogen Director on the reserve list shall be a member of the Electricity Council or the Gas/Hydrogen Council, respectively, if they have expressed their intention to join the relevant Council at the time of their candidacy;
- c) if the maximum number of members as determined by the Board has not been reached by the foregoing principles, additional members may be appointed by the Board as necessary to ensure adequate representation and participation of Members beyond those serving on the Board through a specific call, for which Members meeting both the definition of Electricity and Gas or Hydrogen DSO shall be the preferred candidates.

5. Council members are required to actively participate in all Board and Council meetings they are entitled to attend. The Board will establish and oversee standards for measuring what constitutes active participation. In the event of failure to abide by these standards, the Board may decide to exclude a Council member who shall then be replaced in accordance

[with the principles provided in Article 18.4 above.](#)

[6. The composition and governance rules of the Councils are further defined in the Rules of Procedure and terms of reference of the Councils.](#)

#### **Article 19 – The Representation of the EU DSO Entity**

1. The President of the Board is the President of the EU DSO Entity. The President of the Board, the Vice-Presidents of the Board and the Secretary General are entitled to represent individually the EU DSO Entity towards third parties. This includes the authority to pursue legal action both as claimants and defendants.
- [2. The Vice Presidents are instructed internally to exercise their sole power of general representation of the EU DSO Entity only if the President is unable to do so. In this capacity, they must act, like the President of the Board, as a neutral representative acting solely in the interest of the EU DSO Entity.](#)
- [3. One \(1\) Vice-President who is also a representative of an Electricity DSO and one \(1\) Vice-President who is also a representative of a Gas/Hydrogen DSO shall be appointed as the designated representative for external representation of the EU DSO Entity on matters specifically related to, respectively, Electricity or Gas/Hydrogen.](#)
4. The EU DSO Entity shall be validly represented by the Secretary General as published in the Belgian State Gazette with respect to all acts of the day-to-day management of the EU DSO Entity as specified in Article 22.
5. The EU DSO Entity can also be validly represented by special proxy holders, acting within the limits of their authority on the basis of a specific power of attorney granted by the Board or by the Secretary General in respect to specific acts of the day-to-day management of the EU DSO Entity.

#### **Article 20 – The Strategic Advisory Group**

1. The Board shall establish a Strategic Advisory Group consisting of one (1) representative of each of the European associations representing DSOs according to Article 1 and one (1) DSO representative of each of those Member States which are not represented in the Board or the Council.
2. The Strategic Advisory Group is a forum for consultation on matters pertaining to the EU DSO Entity. The Strategic Advisory Group shall receive all relevant information from the Board, the Assembly, the Councils, the Expert Groups and the Secretariat in order to give an opinion on relevant decisions and projects. The composition and governance rules of the Strategic Advisory Group are further defined in the Rules of Procedure.
3. Opinions of the Strategic Advisory Group aim to achieve agreement on a consensus basis. When no consensus can be reached, the different opinions will be noted. Records of the decision-making process will be kept in minutes kept at the registered office of the EU DSO Entity and on the intranet for access.
4. The President of the Board and the Presidents of the Councils shall meet the Strategic Advisory Group [once a year or upon request if needed](#). The Board, [respectively the Councils, as the case may be](#), has to take due account of the opinions of the Strategic Advisory Group and has to inform the Strategic Advisory Group of the reason why the Strategic Advisory Group's opinion is not taken into account.

**Deleted:** <#>All decisions relating to the appointment, dismissal and cessation of the President of the EU DSO Entity, Temporary President of the Board and Vice-Presidents of the Board, as well as the Directors and Secretary General are filed with the Clerk's office of the competent Commercial Court and are published in the Annexes to the Belgian State Gazette (Moniteur Belge) at the EU DSO Entity's expense. These decisions contain the full names (last name, first names) and permanent addresses of the related persons and state, the extent of the powers and the manner in which these are exercised¶

**Deleted:** at least twice a year

## Article 21 – Expert Groups

1. The Expert Groups are created and dissolved upon proposal of the Board to the Assembly, on a permanent or temporary basis. The Board appoints the members of the Expert Groups as further defined in the Internal Procedures.
2. The composition of Expert Groups shall reflect the technical and geographical diversity and gender balance across Member DSOs and respect the relevant expertise. Each group shall not exceed thirty (30) members with the possibility of 1/3 coming from outside the membership. Members of the Expert Groups are required to have technical expertise in the relevant topics. Representatives of Members based in one Member State or the same Industrial Group do not constitute the majority of the Expert Group participants.
3. Each of the Expert Groups shall nominate a Chairperson and one (1) or maximum two (2) Vice Chairperson(s) among its members. The nomination has to be approved by the Board of Directors.
4. The Expert Groups are responsible for the technical work on Network Codes and development of proposals for guidelines, technical best practice papers and cross sectoral matters. They work upon request from the Board or one of the Councils or on their own initiative. They also provide advisory opinions. They make available to all EU DSO Entity bodies and groups the minutes of their meeting within an appropriate time frame. Each Expert Group has the obligation to regularly report on its activities to the Board or the Councils and other involved Expert Groups.
5. No final decision is assigned to Experts Groups but records will be kept of the numbers in agreement or dissent when developing proposals. Proposals are submitted to the Board or one of the Councils, as the case may be, for further discussion and decision and kept in minutes which shall be shared on the intranet of the EU DSO Entity for access.
6. A Country Expert Group shall be the contact body for the representatives of DSO Members of all EU Member States. The experts within this group comprise maximum one (1) [Electricity DSO and one \(1\) Gas DSO/Hydrogen DSO](#) per country, nominated by the specific [Electricity or Gas/Hydrogen](#) DSOs from each country represented at the Assembly. This Country Expert Group shall receive all relevant information from and be consulted by the other Expert Groups as well as the Board or the Councils, as the case may be, in order to give an opinion on relevant decisions and projects. The composition and role of the Country Expert Group are further defined in the Rules of Procedure.

## Article 22 – The Secretary General

1. The Secretary General shall be appointed by the Assembly upon proposal of the Board for a term of four (4) years and renewable once, unless otherwise stated. The Secretary General ensures the strict impartiality and neutrality of the EU DSO Entity's administration and reports to the President of the Board.
2. The Secretary General supervises the Secretariat and is responsible for the management of the Secretariat and the oversight of its work, which are aimed at fulfilling the responsibilities set forth in paragraph 3 of this Article.
3. The Secretary-General shall be responsible for the day-to-day management of the EU DSO Entity (within the meaning of article 10:10 of the BCCA) within the approved budget and in line with the approved guidelines. The day-to-day management shall include amongst

others, without such list being exhaustive:

- a) externally communicating based on pre-determined positions and/or with factual information elements and relevant for the technical competence of the EU DSO Entity in line with article 52.2 of the Electricity Regulation;
  - b) supporting the work of the EU DSO Entity's bodies and processes;
  - c) supporting and coordinating the meetings of the Board, the Councils, and the Assembly; providing direct assistance to the President of the Board and of the EU DSO Entity in their activities for the EU DSO Entity;
  - d) proposing to the Board the establishment and dissolution of Expert Groups and of their corresponding Internal Procedures;
  - e) interacting regularly with Chairpersons of other bodies of the EU DSO Entity;
  - f) pro-actively initiating and supporting the development of the EU DSO Entity strategy;
  - g) ensuring coherence and alignment between EU DSO Entity strategy and the work of Expert Groups;
  - h) informing the bodies and/or Members on EU DSO Entity activities; and
  - i) drafting proposals for decision making;
  - j) developing the strategy and yearly objectives for the Secretariat;
  - k) managing the Secretariat, and the human resources in line with the EU DSO Entity's strategy to be submitted for Board approval;
  - l) developing budget proposals and annual accounts; monitoring the budget and reporting budget status to the Board; and
  - m) reporting to all legally required publications in the Belgian State Gazette.
4. The Secretary General may delegate specific issues with regard to the day-to-day management of the EU DSO Entity to members of the Secretariat. The Assembly and the Board can delegate additional competences to the Secretary General and the Secretariat.
5. The Board shall determine the remuneration of the Secretary General which the Assembly shall approve as part of the budget.

#### **Chapter IV: Financial Arrangements**

##### **Article 23 – Financial Year**

The financial year shall start on January 1st and shall end on December 31st of the same year.

##### **Article 24 – Annual Accounts and funding**

1. Funds out of membership fees are to be used exclusively for statutory purposes. Each year, the Board shall draw up the annual accounts of the preceding financial year as well as the budget for the following financial year, and shall submit them for approval to the Assembly, in accordance with the BCCA and the Financing Rules. The budget for the following financial year shall set out in reasonable detail, inter alia, an estimate of the fixed and variable operational expenses to be incurred, an estimate of expected incoming revenue (from membership fees and other sources), as well as any contingent amount (with a reasonable explanation for such contingencies). If in any year, the budget proposed by the Board the following financial year is not approved by the Assembly, then the EU DSO Entity will operate on the basis of the last approved budget.
2. Within thirty (30) days of their approval, the annual accounts shall be deposited at the Belgian National Bank and published, if required under Belgian Law.

Deleted: Article 21. : Budgetary Matters

The EU DSO Entity is established without capital contributions.

3. If it appears from the annual accounts that the EU DSO Entity has realised any surplus, the Assembly shall decide where to allocate this surplus in accordance with the corporate object of the EU DSO Entity. In the event of any deficit, the Assembly shall take into account this deficit when approving the budget and the amounts to be paid by the Members for the following financial year. A 5% over budget must be approved by the Assembly according to the voting rules determined in 16.4. Without prejudice to the aforementioned, Members are only accountable towards the EU DSO Entity for the amount of their membership fee.

#### Article 25 – Audit

1. If so required by law, supervision of the EU DSO Entity's financial situation, annual accounts and the regularity of the transactions mentioned therein shall be entrusted to one or more statutory auditors (commissaires) appointed by the Assembly upon proposal of the Board from amongst the members of the Institute of Company Auditors (Institut des Réviseurs d'Entreprises).
2. The Board shall determine the number of statutory auditors and their remuneration.
3. The statutory auditors, jointly or severally, shall have an unlimited right to inspect and audit all transactions of the EU DSO Entity. They may inspect the books, correspondence, minutes and, in general, all other documents and papers of the EU DSO Entity at the latter's premises.
4. The statutory auditors shall provide the Board with a report on the annual accounts, which the Board of Directors shall submit to the Assembly meeting called to approve the annual accounts.

#### Chapter V: Miscellaneous Provisions

##### Article 26 – Amendment of Statutes

1. Any [amendment](#) to the Statutes must be submitted by the Board upon mandate of the Assembly to the Commission and the Agency pursuant to the Electricity [and the Gas Regulation](#).
2. The Agency shall provide an opinion to the Commission on the changes within two (2) months of receipt of the amended version of the Articles.
3. The Commission shall deliver an opinion on the changes within three (3) months of receipt of the opinion of the Agency.
4. Within three (3) months of the day of receipt of the Commission's positive opinion, the Assembly shall adopt the amended Statutes.

##### Article 27 – Liquidation

1. In the event of the EU DSO Entity being wound up, the Assembly shall decide on the appointment of the liquidator, its powers and remuneration.
2. After payment of all debts and expenses of the liquidation, the Assembly shall decide on the use of any net balance having regard to the objectives of the EU DSO Entity. Any assets remaining after liquidation shall be allocated to a disinterested cause. The same quorum applicable to the decision to dissolve shall apply to this decision. In any case, the assets of the EU DSO Entity cannot be attributed after dissolution to any Member of the EU DSO Entity.

Deleted: Moreover, amendments to these Statutes shall be made in accordance with the Statutes.¶  
Following the adoption by the Assembly, a consolidated text of the modified Statutes must be filed with the clerk's office of the competent Commercial Court. In addition to that, the amendments to the Statutes must be published in the Annexes to the Belgian State Gazette (Moniteur Belge), at the EU DSO Entity's expense.¶

Deleted: <#>In the event of the EU DSO Entity being wound up, the President of the EU DSO Entity shall effect the liquidation, unless the Assembly decides to delegate the liquidation to one or more persons whose powers and remuneration shall be determined by the Assembly.¶

3. Decisions relating to the dissolution of the EU DSO Entity and its liquidation shall be registered at the office of the Clerk of the commercial court and be published, at the expense of the EU DSO Entity, in the Annexes to the Belgian State Gazette.

#### Article 28 – Rules of Procedure

1. Apart from the matters for which reference is made to the Rules of Procedure in the Statutes, any other procedures governing the operations of the EU DSO Entity shall be specified in the Rules of Procedure.
2. In case of differences in interpretation, the Statutes shall prevail over the Rules of Procedure.
3. If no rules are provided and Belgian legal provisions are obligatory or applicable, they shall apply to the EU DSO Entity.
4. Any modification to the Rules of Procedure must be submitted to the Commission and the Agency pursuant to the Electricity [and Gas Regulation](#):
  - a) The Agency shall provide an opinion to the Commission on the changes within two (2) months of receipt of the amended version of the Rules of Procedure.
  - b) The Commission shall deliver an opinion on the changes within three (3) months of receipt of the opinion of the Agency.
  - c) Within three (3) months of the day of receipt of the Commission 's positive opinion, the Assembly shall adopt and publish the amended Rules of Procedure.

Deleted: <#>The first Rules of Procedure shall be attached to the deed of Incorporation.¶  
¶

#### Article 29 – Confidentiality

1. The EU DSO Entity, the Directors, [members of the Councils](#), the Secretary General, the Members, Associate Members, Observers, [and technical experts of the Expert Groups](#) shall maintain a duty of confidentiality (the "Confidentiality Obligations") only in respect to such information received in the framework of the activities of the EU DSO Entity, expressly declared as such by the issuer ("Confidential Information").
2. The Confidential Information does not include information:
  - a) which is or becomes generally available to the public other than as a direct or indirect result of a breach of the Confidentiality Obligations;
  - b) for which the receiving party gives evidence that it was in its possession before or at the time of its acquisition of the information as Member;
  - c) for which the receiving party gives evidence that it was received by third parties not bound to a confidentiality agreement as laid down in the Rules of Consultation with ENTSO-E and other stakeholders.
3. The EU DSO Entity, the Secretary General, the Members, Associate Members and Observers shall make sure that their employees, directors, consultants, affiliates, subcontractors, representatives and any other persons associated with them, shall

Deleted: <#>Moreover, amendments to the Rules of Procedure shall be made in accordance with the BCCA. In case of amendment of the Rules of Procedure, the amended version of thereof shall be communicated to all Members and the Assembly shall amend these Statutes to refer to the amended version.¶  
¶

maintain the same confidentiality as stated above for the Members, Associate Members, Third Country Partners and Observers. The respective EU DSO Entity, Secretary General, Members, Associate Members, Third Country Partners and Observers shall be liable for a breach of confidentiality by their associated Persons mentioned above.

4. The Confidentiality Obligations shall expire ten (10) years after the closing of the dissolution of the EU DSO Entity or the end of the Member's membership of the EU DSO Entity, depending on whatever takes place first.

#### **Article 30 – Ownership of Background IP and Foreground IP**

1. Each Member, Associate Member, Third Country Partner and Observer is and remains the exclusive owner of the intellectual property rights, inventions, results, information, know-how and knowledge ("Background IP"):
  - a) it holds, owns or controls before becoming a Member, Associate Member, Third Country Partner and Observer of the EU DSO Entity; or
  - b) which it develops independently and outside the activities it is carrying out within the framework of the EU DSO Entity.
2. Foreground IP shall be the property of the Member, Associate Member, Third Country Partner, and Observer carrying out the work generating that Foreground IP. To this purpose, the Members, Associate Members, Third Country Partners, and Observers shall maintain documents showing the development of Foreground IP or results in order to be able to prove:
  - a) ownership;
  - b) the date of generation of the Foreground IP; and
  - c) the actual inventor(s) and/or creators.
3. Where several Members, Associate Members, Third Country Partners and Observers have jointly carried out work generating Foreground IP and where their respective share of the work cannot be ascertained (hereinafter referred to as the "Contributors"), they shall have joint ownership of such Foreground IP. The Contributors shall establish an agreement regarding the allocation and terms of exercise of that joint ownership.
4. However, where no joint ownership agreement has yet been concluded, each of the Contributors shall be entitled to exploit such Foreground IP and to grant non-exclusive licenses to third parties on such Foreground IP, without any right to sub-license, subject to the following conditions:
  - a) at least forty-five (45) calendar days prior notice must be given to the other joint owners;
  - b) with regard to use by third parties, fair and reasonable compensation must be provided to the other joint owners.
5. Within a reasonable period following creation of any joint Foreground IP, the Contributors shall enter into good faith discussions in order to agree on an appropriate course of action for filing applications for intellectual property protection, including the decision as to which of the Contributors is to be entrusted with the preparation, filing and prosecution of such applications and in which countries or territories such applications are to be filed.

6. Each Member, Associate Member, Third Country Partner, and Observer hereby agrees to grant a royalty-free license to other Members, Associate Members, Third Country Partners, and Observers within the association for the use of any Foreground IP developed within the scope of activities conducted under the EU DSO Entity.

#### Article 31 – Official language

1. The official language of the EU DSO Entity is French.
2. The operating language of the EU DSO Entity shall be English. If decisions or documents of the EU DSO Entity need to be published in the Annexes to the Belgian State Gazette, filed with the clerk's office of the competent commercial court or made public in any other way, the Board shall have the authority to make a French translation of the relevant decisions or documents for administrative purposes.

#### Article 32 – Final provisions

1. Any aspect which is not covered by the Statutes and the Rules of Procedure shall be governed by Belgian law, in particular the relevant provisions of the BCCA and, as far as the rules for deliberations are concerned, by the ordinary rules of the deliberating bodies.
2. All disputes arising out of or in connection with the Statutes shall be submitted to the courts of the place of the registered office of the EU DSO Entity which shall have exclusive jurisdiction.
3. The Statutes as well as the Rules of Procedure shall exist in both the English and French languages. In the event of any differences in interpretation, the French text shall prevail.

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Deleted: Article 32. : Transitional Provisions¶  
¶  
Provisional Board and Provisional Secretary General¶  
Following the incorporation of the EU DSO Entity and until the first Board is appointed in accordance with Article 16 of the present Statutes by the Assembly (the **Transitional Period**), a Provisional Board will be composed of four (4) interim Directors appointed by the founding members (the **Provisional Board**).¶  
The Provisional Board is subject to the provisions for Conflict of Interest included in Article 16.25 of the Statutes.¶  
During the Transitional Period, the Provisional Board shall be entrusted exclusively with the day-to-day management of the EU DSO Entity limited to purely administrative and organizational task, including organizing the first General Assembly and the election of the first Board of Directors supported by the Nomination Committee and the recruitment of the Provisional Secretary General. The Provisional Board shall not have competences regarding the tasks defined in Article 16.8 of the present Statutes if not described in this provision.¶  
The Provisional Board shall have all necessary and useful powers to achieve this purpose (including such powers which by virtue of the present Statutes would be reserved to ¶

ANNEX 1 – NOMINATION PROCEDURE [OF THE MEMBERS OF THE BOARD](#)

## Article 1– Nomination Committee

1. The Board of Directors can establish and dissolve a Nomination Committee. The Nomination Committee consists of representatives of six (6) Members (being three (3) Electricity DSO Members and three (3) Gas/Hydrogen DSO Members), to be elected by the Board of Directors for a renewable term of four (4) years. The Nomination Committee can establish its own Internal Procedures, which must be submitted to the Board of Directors for approval. It will also elect a Chairperson and a Vice Chairperson among its members.
2. The task of the Nomination Committee is to manage the nomination procedure of Directors and to prepare the election procedure of the Board of Directors, as further detailed in the Rules of Procedure of the Board.
3. The Nomination Committee can use electronic means such as online voting platforms during the nomination process and for registering the votes and other related activities.
4. The Nomination Committee is not entrusted with any decision-making powers.
5. The tasks of the Nomination Committee shall include:
  - a. collecting applications of candidate Directors (candidates),
  - b. examining such applications for obvious mistakes and informing affected candidates,
  - c. preparing and circulating a preliminary list of candidates wishing to be nominated,
  - d. publishing the final list of candidates taking part in the nomination procedure,
  - e. organizing the nomination procedure and collecting results,
  - f. counting votes in the nomination procedure,
  - g. applying the criteria as determined in article 54.2(c) of the Electricity Regulation and Article 2 of this Annex,
  - h. applying the rotation principle specified in Article 7 of this Annex,
  - i. publishing the final list of (at most) thirty-three (33) nominated candidates and the final list of (at most) thirty-three (33) reserve candidates,
  - j. receiving withdrawals of applications by nominees and, if necessary, publishing updated lists, and
  - k. reminding Members of the EU DSO Entity that fair diversity, gender balance, and geographical representation of the DSOs in each category are taken into account during the nomination and election process, thereby accomplishing a well-balanced composition of the Board of Directors.
6. The Nomination Committee may request the Secretariat's support for its tasks.

## Article 2 – Criteria for candidates for the position of Director of the Board of Directors

1. Each [Electricity Member and Gas/Hydrogen Member](#) has the right to nominate one candidate as a Director of the Board of Directors for the office of [Electricity Director or Gas/Hydrogen Director, respectively, provided that the share of that Member's Connected Customers in the relevant sector \(i.e., Electricity or Gas/Hydrogen\) is greater than five percent \(5%\) of that Member's total number of Connected Customers](#). This candidate may be a different person from the Member Representative appointed to represent the Member at the General Assembly according to Article 16.2 of the Statutes.
2. This candidate must be employed by the Member either as an employee or as an executive director or non-executive Director, be engaged in the activities of the Member, and have

Deleted: 16.2 of the Statutes, and as further specified in Article 16. 9.5 of the Statutes

Deleted: 16.9.6 of the Statutes

Deleted: For the very first nomination and the election procedure of the EU DSO Entity the Nomination Committee consists of a Task Force of a maximum of eight (8) persons with maximum two (2) representatives from every European DSO association including DSO companies, and will be staffed accordingly. Additionally, for the first election procedure, it will be responsible for the administrative management and logistics of the election procedure

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the authority to make business-related decisions within the Member's own business. In the event of termination of the employment or engagement of the Director with the Member, its office shall automatically end.

Deleted: and be replaced upon the election of the Board

3. The Members shall consult and make reasonable efforts to reach an agreement ensuring that the final list of candidates as established by the Nomination Committee in accordance with Article 3 of this Annex does not include more than four (4) representatives of Members from the same Member State and no more than three (3) representatives of Members who belong to the same Industrial Group, as stipulated in Article 17.1 of the Statutes.

Deleted: 16. The Provisional Secretary General shall resign automatically and be replaced upon the appointment of the Secretary General

4. In the absence of such agreement, and if the draft final list of candidates as established by the Nomination Committee in accordance with Article 3 of this Annex includes more than three (3) representatives of the same Industrial Group, the Nomination Committee shall retain the three (3) candidates who have received the highest number of votes.

5. In the absence of such agreement, and if the draft final list of candidates as established by the Nomination Committee in accordance with Article 3 of this Annex includes more than four (4) representatives of Members from the same Member State, the Nomination Committee shall retain the three (3) candidates, one (1) per Category, who received the highest number of votes. The fourth candidate to be retained shall be the remaining candidate who received the highest number of votes, regardless of which Category they belong to.

6. In all cases, the candidates not retained are replaced by the candidate of the reserve list who has the next-greatest number of votes in that respective category that fulfills the limitation rules of this Article and Article 17.1 of the Statutes.

7. When nominating candidates, Members and the Nomination Committee shall at all times take into account the principles of Article 8 (2) of this Annex, including when such candidates are proposed in case of an insufficient number of candidates.

### Article 3 – The nomination procedure

1. The Nomination Committee launches a call communicating the deadline for the nomination of candidates and each Member of the General Assembly can propose their candidate as Director of the Board within two (2) weeks. Each candidate for the office of Director has to inform the Nomination Committee whether he or she is willing (i) to become President of the Board and President of the EU DSO Entity and (ii) to become a member of a Council. A provisional list with all candidate Directors received and classified by type and Categories as defined in Articles 1 and 17.1 of the Statutes is published on the EU DSO Entity's website and sent to the available email address of each Member. In case of an insufficient number of candidates in one or several sectors or categories, the Nomination Committee launches a second call inviting Members of the categories concerned to propose their candidate within one (1) week. If new candidates are proposed, an amended provisional list will be published and made available. Each candidate Director can step back within the two weeks following the publication of a provisional list. The amended provisional list with candidate Directors will be published on the website and sent to the email address of each Member.
2. The candidate Directors are selected for the final list based on the number of votes received from Members within the corresponding sector and Category who are entitled to vote.
3. Members' Voting Power cannot be split between different candidates of the same sector (i.e., Electricity or Gas/Hydrogen).

4. This nomination procedure must be held before the meeting of the General Assembly, written or electronic.

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#### Article 4 – The Election Procedure for the Board of Directors

1. A list with maximum thirty-three (33) candidates as Directors, is established within a week following the closing of nominations plus a reserve list of a maximum of another thirty- three (33) alternates for the office of Director, established according to the same rules as the list of candidates. All lists are published on the EU DSO Entity's website and sent to the email address of each Member.
2. All Members of the General Assembly vote for the final list of candidates as established by the Nomination Committee in accordance with Article 3 of this Annex and the reserve lists for the Directors. Each Member votes for one candidate on the list of the same type and Category of Member within the timeframe given by the Nomination Committee. The Voting Power of a Member is proportionate to the number of Connected Customers of the Member in the relevant sector (i.e., Electricity or Gas/Hydrogen).
3. The majorities foreseen for the adoption of decisions by the General Assembly according to Article 16.4 of the Statutes apply.
4. In case the final list of candidates as established by the Nomination Committee in accordance with Article 3 of this Annex is not adopted by the General Assembly, the nomination procedure of Article 3 of this Annex must start over.

Deleted: Candidates as Directors of the Board can step back until the date of the election.¶  
The Members of the EU DSO Entity should strive to reach an acceptable level of diversity and gender balance as well as geographical representation in the composition of the Board of Directors.¶  
In order to fulfil the statutory provisions of the Electricity Regulation -*balanced representation of all participating distribution system operators*- the elected Directors in the Board in all three Categories should as much as possible reflect the diversity of their respective group of DSOs. Balanced representation of all participating DSOs will consider the size, country, industrial group of the DSO, also its service area (i.e. local, national, transnational, urban or rural) and its scope of service.

#### Article 5 – The Election Procedure for the President

1. Candidates from the final list of candidates as established by the Nomination Committee in accordance with Article 3 of this Annex may nominate themselves to serve as President of the Board. The Board of Directors, upon its election, shall vote for the President, whose office needs to be endorsed by the General Assembly before becoming effective.
2. At the same time as voting for the final list of candidates as established by the Nomination Committee in accordance with Article 3 of this Annex, each Member of the General Assembly is asked to recommend one candidate from the final list of nominated candidates, who should, in its opinion, be President of the EU DSO Entity and President of the Board. The Nomination Committee will inform members if a candidate for Director of the Board is unwilling to serve as President of the Board.
3. The recommendation of each Member is to be counted according to the voting power of that Member as defined in Article 1.52 of the Statutes.
4. The Board is informed of the non-binding recommendation of the Members of the General Assembly before nominating the President of the Board.
5. The President of the Board is nominated according to the voting majority stated in Article 16.4 of the Statutes.
6. If the Director nominated by the Board as President of the Board is subsequently endorsed by the General Assembly as President of the EU DSO Entity pursuant to this Article, then, in order to fulfill the requirement of Article 17.1 of the Statutes that the Board is composed of the President and thirty-three (33) Directors, another Director of the same Category as the endorsed President shall be appointed from the list of alternates by the elected Directors. The President of the Board shall not have the right to vote on the appointment of that

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Deleted: <#>The Director nominated by the Board as President of the Board is to be submitted for endorsement of the General Assembly as President of the EU DSO Entity. The endorsement decision is to be adopted pursuant the procedure for adoption of decisions by the General Assembly in Art. 15. 13 of these Statutes.¶

Director.

7. If, however, the Director nominated by the Board as President is subsequently not endorsed by the General Assembly as President of the EU DSO Entity, the Board should decide whether to ask the General Assembly to recommend another Director to be nominated by the Board as President and endorsed by the General Assembly. In case the Board does not ask the General Assembly to recommend another Director to be nominated by the Board as President or in case the General Assembly fails to endorse the second candidate nominated by the Board as President, the Board will itself nominate a temporary President of the Board in order to secure the Board of Directors' decision making, for a maximum of six (6) months. After this six (6) month period, the Board shall nominate another President and submit them to the General Assembly for its endorsement.
8. [If endorsed by the General Assembly, the President of the Board shall also be the President of the EU DSO Entity.](#)
9. The temporary President of the Board will have the same competencies and legal mandate as the endorsed President during their mandate.
10. [Once endorsed by the General Assembly, the President shall serve in this capacity until the next Board election, notwithstanding any articles to the contrary in the Statutes or the Rules of Procedure for the Election of the Board of Directors and the President.](#)

#### **Article 6 – Vice-Presidents of the Board**

1. [The Board of Directors appoints three Vice-Presidents of the Board among its members, of which at least one \(1\) Vice-President shall be a representative of an Electricity DSO, and one \(1\) Vice-President shall be a representative of a Gas/Hydrogen DSO. The Vice-Presidents of the Board each represent the Members of the category to which they belong.](#)
2. Eligible as Vice-President are candidates representing a Member belonging to the category they will chair. [Vice-Presidents are appointed by a simple majority of the votes cast by both Electricity and Gas/Hydrogen Directors belonging to the same category as the candidate Vice-President.](#)
3. The Vice-Presidents are appointed for the duration of their offices as Directors and can be re-elected.

#### **Article 7 – Application of a rotation system**

1. A rotation principle is to be applied within the composition of the Board of Directors. A system is to be developed to guarantee the direct representation of DSOs from all EU Member States represented at the Assembly at least once every three mandates of the Board of Directors.
2. [This rule applies before the election procedure, once the Final List of Candidate Directors and the reserve list are established according to the procedure described above in Article 3 relating to the nomination procedure.](#)

#### **Article 8 – General Principles**

1. Members of the EU DSO Entity should strive to reach an acceptable level of diversity and gender balance, as well as geographical representation in the composition of the Board of Directors.

2. In order to fulfil the statutory provisions of the Electricity Regulation – balanced representation of all participating distribution system operators – the elected Directors on the Board in all three Categories should, as much as possible, reflect the diversity of their respective group of DSOs. Balanced representation of all participating DSOs will consider the size, country, industrial group of the DSO, its service area (i.e. local, national, transnational, urban or rural), and its scope of service.