

**INTERNATIONAL EMISSIONS TRADING ASSOCIATION  
(I.E.T.A.)**

**ASSOCIATION INTERNATIONALE POUR  
L'ÉCHANGE DE DROITS D'ÉMISSION  
(A.I.E.D.E.)**

**ARTICLE I - NAME**

- 1 The name of the association (hereinafter called "the Association") is the INTERNATIONAL EMISSIONS TRADING ASSOCIATION (I.E.T.A.) in English and ASSOCIATION INTERNATIONALE POUR L'ÉCHANGE DE DROITS D'ÉMISSION (A.I.E.D.E.) in French.

**ARTICLE II - LEGAL DOMICILE**

- 2 The administrative office and legal domicile of the Association is situated in Geneva, Switzerland.

**ARTICLE III – MISSION AND OBJECTS**

- 3.1 The Association Members include persons, companies, business organisations and global, national and regional entities that share the ambition of advancing the goals of the Paris Climate Agreement (**Paris Agreement**) and the United Nations Framework Convention on Climate Change (**UNFCCC**) through emission reductions delivered through credible, effective and efficient market mechanisms and climate finance, including, without limitation, local, national, regional and international greenhouse gas (**GHG**) emissions trading systems.

3.2 The Mission of the Association is to:

be an independent, not for profit, business organisation that facilitates the development and establishment of efficient and effective market-based trading systems for GHG emissions that are fair, openly competitive, sustainable, accountable, consistent across national boundaries, and aligned with the goals of the Paris Agreement.

3.3 The Objects of the Association are to:

- (a) be a leading advocate in support of domestic and international emissions trading policies to reduce, avoid or remove GHG emissions, to deliver climate finance efficiently, and to enable companies, sectors, states and regions to cooperate effectively in achieving the goals and objectives of the Paris Agreement as informed by scientific assessments of the Intergovernmental Panel on Climate Change (IPCC)
- (b) support business action and corporate leadership on climate change;
- (c) provide fora for learning, capacity building, training, and sharing information and practical experience on GHG emissions trading, climate-related market mechanisms, climate finance, and other matters consistent with the Association's mission;
- (d) convene open and transparent dialogue among interested stakeholders by organising, sponsoring and actively participating in events such as conferences, seminars, and meetings;
- (e) provide a repository and source of information on climate-related market mechanisms, climate finance, GHG emissions trading and other market based approaches to reducing GHGs at subnational, national, regional and international levels;
- (f) identify opportunities for the use of market mechanisms and support integrity, accountability and transparency of climate-related markets, consistent with the Paris Agreement;
- (g) foster relationships with reputable entities of a similar stature (including, without limitation, governments, non-governmental and business organisations, research organisations, and academia) that have responsibilities and/or expertise relevant to the Association's mission;

- (h) facilitate consensus building among the Members and other stakeholders in support of climate-related market mechanisms to enable global action;
- (i) avoid for-profit ventures, activities, and initiatives that will compromise the Association's Mission, objectivity, independence, impartiality, and credibility;
- (j) do all such other lawful things as may be incidental or conducive to the Association's Mission and/or its Objects;
- (k) act in a manner that is consistent with guidance that the Council may provide from time to time in furtherance of the Association's Mission and /or its Objects.

**PROVIDED THAT:**

the Objects of the Association shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

**AND** so that:

- (1) None of the Objects set forth in any sub-clause of this Article shall be restrictively construed, and the widest interpretation shall be given to each such object; and
- (2) None of the sub-clauses of this Article and none of the Objects therein specified shall be deemed subsidiary or ancillary to any of the Objects specified in any other such sub-clause, and the Association shall have as full a power to exercise each and every one of the Objects specified in each sub-clause of this Article.

The activities of the Association shall be carried out world-wide through working groups, initiatives and local or regional offices.

**ARTICLE IV – MEMBERSHIP**

- 4.1 Members of the Association should aim to represent a broad base of all relevant businesses and industry sectors in developed, emerging and developing economies.
- 4.2 Every entity that wishes to become a Member shall deliver to the Association a membership application, in such form as the Council requires and confirm that it

does and will comply with all relevant IETA policies and procedures including, without limitation, those related to avoiding collusion, bribery, corruption, and other prohibited practices.

- 4.3 An application for membership may be approved or rejected by the Council in its sole discretion without any obligation to inform the applicant of the reason or reasons (if any) for the rejection by the Council of an application for membership. The Council has the right for good and sufficient reason to terminate the membership of any Member PROVIDED THAT the affected Member shall have a right to be heard before a final decision is taken. Such reason exists in particular, without limitation, if the Member has engaged in a prohibited practice, such as anti-competition, bribery and corruption, as defined in IETA's policies in that respect.
- 4.4 Unless the Council makes other provision pursuant to its powers contained elsewhere, the Council may in its absolute discretion permit any Member of the Association to retire provided that after such retirement the number of the Association's Members is not less than five (5).
- 4.5 All Members shall pay a non-refundable annual subscription fee for each calendar year of membership of such amount and in such manner as determined by the Council from time to time.
- 4.6 All prospective Members must have paid their annual subscription fee as set by the Council before such entity can be elected as a Member of the Association. Once elected, each Member shall pay its full annual dues for each and all calendar years of its membership including without limitation the full year in which a notice of retirement is provided but except for the first year of membership for which the annual due may be pro-rated for Members joining during the course of any year. In exceptional circumstances, alternate payment arrangements for a Member may be made by the Chair in coordination with the Association's CEO.

#### **ARTICLE V – GENERAL MEETING**

- 5.1 **Meetings and Notice.** Annual and Extraordinary General Meetings of Members of the Association and regular meetings of the Council shall be convened by the Chair of the Association by notification sent to all Members of the Association and Council, respectively, at least 30 days before the date of the meeting in the event of an Annual and Extraordinary General Meetings and sent to all Council Members at least 14 days before the date of the meeting in the event of a regular Council

meeting. Each notification shall indicate the time and place of the meeting and provide arrangements for participation by any means at the discretion of the Council including, but not limited to in-person meeting, telephone conference and/or simultaneous online meeting where practical and available.

- 5.2 Each notification shall also indicate the agenda for the meeting. Except for amendments to the Articles of the Association or its constitution, exceptional and pressing agenda items may be added to the agenda by Members as "any other business" unless opposed by a majority of Members present.
- 5.3 **AGM.** The Annual General Meeting shall take place each year within 12 months of the end of Association's financial year, on the date and at the place indicated in the notice of the Annual General Meeting.
- 5.4 **Quorum.** The quorum for an Annual or Extraordinary General Meeting at which decisions are to be taken concerning amendments to the Articles of the Association, the dissolution of the Association, or the merger of the Association with another shall be reached when a minimum of 35% of the Members of the Association are represented physically or electronically at the meeting or by proxy given to another Member present at the meeting. No quorum is required at such General Meetings where other decisions are taken.
- 5.5 **Voting.** Decisions to amend the Articles of the Association, the dissolution of the Association, or the merger of the Association require a two-thirds majority vote of a quorum of Members represented physically or electronically at the meeting or by proxy given to another Member present at the meeting.
- 5.6 Other decisions shall be taken through a simple majority of Members represented physically or electronically at the meeting or by proxy given to another Member present, physically or electronically at the meeting.
- 5.7 **EGM.** Extraordinary General Meetings may be convened by the Chair at any time upon reasonable notice. The Chair must convene an Extraordinary General Meeting within 60 days of receipt of request for such a meeting from at least 20% of the Association's Members. Any request for an Extraordinary General Meeting shall specify the detailed reason(s) for holding an Extraordinary General Meeting.
- 5.8 General Meetings shall be chaired by the Chair of the Council or, in the absence of the Chair, by a Vice Chair or, failing any of them, by another Member of the Council appointed by a majority of Members present.

5.9 Decisions may be taken by way of circulation without a meeting having to be convened. A decision may be validly taken by way of circulation provided that it has been approved in writing by electronic communication by Members representing at least two thirds of the total votes. Notwithstanding the provisions of Article 17.1, invitations to vote shall be considered as received by any Member if sent to the e-mail address communicated to the Association by each Member as its e-mail notification address in its membership application, or otherwise updated by such Member.

#### **ARTICLE VI - PROCEEDINGS AT GENERAL MEETINGS**

6.1 Each Member shall be represented at any General Meeting of the Association through a senior representative of its management authorised for such purpose or their designee.

6.2 In particular, the General Meeting is competent to:

- (a) appoint and revoke the Chair (including Vice Chairs), and Members of the Council;
- (b) appoint the auditors of the Association;
- (c) determine the priorities and direction of the Association;
- (d) approve membership fee(s);
- (e) approve the Association's budget, the annual report and accounts ;
- (f) approve an amendment the Articles of the Association;
- (g) approve the dissolution or merger of the Association, ;
- (h) approve the adoption, alteration or repeal the Rules and By-Laws of the Association recommended by the Council; and
- (i) determine any other business within its competence.

#### **ARTICLE VII - VOTING RIGHTS**

7.1 All Members shall have one vote.

7.2 No Member shall be entitled to vote at any General Meeting unless all monies payable by it to the Association have been paid unless other exceptional arrangements have been agreed to by the Chair and the President and Chief Executive Officer (CEO).

### **ARTICLE VIII - COUNCIL OF MANAGEMENT**

8.1 The strategic oversight and day-to-day management of the Association shall be entrusted to the Council, which has delegated the latter to the CEO.

8.2 The Council will meet at a reasonable frequency determined by the Chair, but not less than four (4) times per calendar year.

8.3 The maximum number of Council Members shall be eighteen (18). The minimum number of Council Members shall be five (5). The immediate past Chair of the Council may be invited by the Council to remain on the council for one term. In addition to the eighteen (18) Council Members referred to above, the AGM may appoint Honorary Members of the Council. Honorary Members are appointed for an indefinite period of time and are full Members of the Council except that they have no voting rights.

8.4 Each Council Member shall be appointed at the AGM and shall hold one vote in Council meetings.

8.5 A resolution in writing or via email, either signed (if in writing) or agreed via email, and sent to the CEO of the Association, by all the Council Members entitled to receive notice of a Council Meeting, shall be as valid and effectual as if it had been passed at a Council Meeting duly convened and held, and may consist of several documents or emails in like form each signed or agreed, as the case may be, by one or more Council Members.

8.6 The Council is competent to:

- (a) hire, terminate, and set executive compensation for the CEO,
- (b) appoint the Chair and Vice Chairs and advise the CEO on advice sought relating to the Secretariat of the Association;

- (c) consider the dissolution or merger of the Association for approval by the AGM, or other business arrangement of the Association that does not include a dissolution or merger;
- (d) approve the Association's work program;
- (e) agree to an annual budget for approval by the AGM;
- (f) approve the annual report and accounts and submit them to the AGM for approval;
- (g) consider significant and material reports, guidance, and executive briefs to be released in the name of the Association;
- (h) address membership issues in accordance with the Articles, Rules and By-laws of the Association and make decisions pertaining to terminations that are not retirement of a Member;
- (i) appoint signatories for the Association;
- (k) authorise as required representatives who may bind the Association and dispense its funds;
- (l) recommend amendments to the Articles, Rules and By-laws of the Association for approval by the Association at an AGM;
- (m) address business continuity and/or urgent matters that require oversight and are not conducive to an AGM;
- (n) approve internal regulations on general policy matters as well as any amendment thereto; and
- (o) determine any other oversight matters related to the above or otherwise within its competence.

8.7 Council Members are appointed for a term of two calendar years commencing the 1<sup>st</sup> day of January following their appointment by the AGM. The intention is that 50% of the Council will be elected annually. Members of the Council may be re-elected and shall be cognisant of the need for rotation consistent with good governance practices.

8.8 The Council shall be convened by the Chair or, failing him, by a Vice Chair or another Member of the Council. The Chair, the CEO, and Vice Chairs may meet



regularly for oversight at a frequency to be stipulated by the Chair. The notice of the date and place and agenda for a meeting of the Council shall be sent to each Council Member at least 14 days before the meeting.

- 8.9 A quorum for a Council meeting shall exist when the majority of its Members are present in person, by telephone, or other live electronic means. Decisions shall be taken by a simple majority of the votes of the Council Members present at a meeting where a quorum has been reached.

#### **ARTICLE IX – CEO AND SECRETARIAT**

- 9.1 The Association may appoint a permanent staff (Secretariat) as determined by the CEO. The CEO will manage the Secretariat and report to the Chair and Council on material matters relating to the Secretariat. The CEO will have sole authority to recruit Secretariat staff.
- 9.2 The Secretariat will be responsible for conducting and co-ordinating the work of the Association, the day to day progress on work programs, administration of budgets, and appropriate external representation, all under the supervision of the CEO.

#### **ARTICLE X – RESOURCES**

- 10 The Association is a non-profit organisation and shall be financed by annual membership fees, grants, sponsorship, event fees, and other contributions consistent with the Mission, Objects, principles, Rules and By-laws of the Association. Membership fees shall be payable at the beginning of each year at levels to be recommended by the Council and approved by the AGM, from time to time.

#### **ARTICLE XI - ACCOUNTS**

- 11.1 The Council shall cause accounting records to be kept in accordance with Swiss Law and good business practices. The Association's financial year shall correspond to the calendar year, except for the first financial year which shall start on the first day of establishment of the Association and end on December 31, 2000.

- 11.2 The accounting records shall be kept at the legal domicile of the Association or at such other place or places the Council thinks fit, and shall always be open to the inspection of the CEO, Chair and Council of the Association.
- 11.3 The Council shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Association or any of them shall be open to the inspection of Members not being Council Members, and no Member (not being a Council Member) shall have any right of inspecting any account or book or document of the Association except as conferred by law or authorised by the Council or by the AGM.
- 11.4 The Council shall from time to time in accordance with Swiss law cause to be prepared and to be laid before the AGM such profit and loss accounts, balance sheets and reports as required.
- 11.5 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the AGM, together with a copy of the auditor's report, and the Council's report, shall, not less than twenty-one (21) days before the date of the AGM be sent by email to every Member of the Association.

#### **ARTICLE XII- AUDIT**

- 12 The General Meeting shall appoint an internationally recognised firm of accountants as auditors to examine the accounts of the Association. The auditor's report shall be presented to the AGM.

#### **ARTICLE XIII - DISSOLUTION**

- 13.1 Only the Association, to the exclusion of its Members, the Council, the CEO and the Secretariat staff, can be held liable for its debts and liabilities.
- 13.2 Upon dissolution of the Association, the remaining assets, after satisfaction of all debts and liabilities, shall be entirely given or transferred to a tax exempt institution having objects similar to the Objects of the Association. Such assets shall in no event be paid to or distributed among the founders or the Members of the Association nor be used in any manner for their benefit.

#### **ARTICLE XIV - APPLICATION OF INCOME**

- 14 The income and property of the Association shall be applied solely towards the promotion of its Mission and Objects as set forth herein and no portion thereof shall be paid or otherwise transferred, directly or indirectly, by way of dividend, bonus, prohibited payment, or otherwise howsoever by way of profit, to Members of the Association except by way of previously authorised regular remuneration of the Association's officers.

#### **ARTICLE XV - RULES OR BY-LAWS**

- 15 (a) The Council may from time to time make such Rules, By-Laws, guidance, principles, and policies as it may deem necessary or convenient for the proper conduct and management of the Association and in particular but without prejudice to the generality of the foregoing, it may by such instruments regulate:
- (i) the admission and classification of Members of the Association, the rights and privileges of such Members, the conditions of membership, the terms on which Members may resign or have their membership terminated, and the entrance fees, subscriptions and other fees or payments to be made by Members;
  - (ii) the conduct of Members of the Association in relation to one another, and to the Association's employees;
  - (iii) matters pertaining to location, real estate, fixtures and premises;
  - (iii) the setting aside of the whole or any part or parts of the Association's premises at any particular time or times or for any particular purpose or purposes;
  - (iv) the procedure(s) at General Meetings and meetings of the Council and Sub-committees in so far as such procedure is not regulated by these Articles;
  - (v) and, generally, all such matters as are commonly the subject matter of Association Rules.

- (b) The AGM shall have power to approve the alteration or repeal the Rules or By-Laws and to make additions to them on the recommendations of the Council, and the Council shall adopt such means as they deem sufficient to bring to the notice of Members of the Association relating to same, which so long as they shall be in force, shall be binding on all Members of the Association. Provided, nevertheless, that no Rule or By-Laws shall be inconsistent with, or shall affect or repeal anything contained in these Articles.

#### **ARTICLE XVI - PROFESSIONAL CONFIDENTIALITY**

- 16 The Members of all of the internal bodies of the Association shall be bound by confidentiality as to the nature and content of any confidential discussions and decisions taken at any meetings.

#### **ARTICLE XVII – NOTICES**

- 17.1 A notice may be given by the Association to any Member either personally or by sending it by registered mail to it or to its registered address or electronic mail with proof of receipt. A notice shall, unless the contrary is proved, be deemed to be given on the date of the proof of receipt.
- 17.2 Electronic notice of every General Meeting shall be given in any manner hereinbefore authorised to:
- (a) every Association Member
  - (b) the current auditor of the Association; and
  - (c) each Council Member.

No other person shall be entitled to receive notices of General Meetings.

#### **ARTICLE XVIII - INTERPRETATION**

- 18.1 In these Articles: “Council” means the Council of Management for the time being of the Association.

18.2 Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

**ARTICLE XIX - MISCELLANEOUS**

19.1 The Association shall have its Articles recorded with the Register of Commerce in Geneva, Switzerland.

19.2 Articles 60 to 79 of the Swiss Civil Code shall be applicable to the Association.

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Signed by Chair, Vice Chairs and the CEO

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| 1 | Jonathan Grant<br>Principal Advisor, Climate Change<br>RioTinto<br>Address<br>Address        | _____<br>Signature<br><br>_____<br>Place and date |
| 2 | Christine Faure-Fedigan<br>Director, Corporate Climate Policy<br>Engie<br>Address<br>Address | _____<br>Signature<br><br>_____<br>Place and date |
| 3 | Lisa DeMarco<br>Senior Partner<br>DeMarco Allan LLP<br>Address<br>Address                    | _____<br>Signature<br><br>_____<br>Place and date |

4 Dirk Forrister  
President and CEO  
IETA  
Address  
Address

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Signature

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Place and date