

ARTICLES OF ASSOCIATION

Whereupon, the assembled parties state their wish to set down the non-profit association's articles of association in the following terms.

Part I: Legal form – Name – Registered office – Objects – Term

Article 1: Name and form

The association is incorporated in the form of a non-profit association. Its name is "Carbon Market Watch", which is abbreviated to "CMW". The association's name may be used in its long and abbreviated forms, whether both together or separately.

Article 2. Registered office

The registered office is to be located in the Brussels-Capital Region.

Article 3. Disinterested purpose and objects

The association's disinterested purposes are:

- a) to contribute to furthering the principles of development that is sustainable and an economy that is mindful of the environment and its foundations within society, politics and economics;
- b) to ensure that carbon-emissions tariffs are fixed so as to promote an equitable transition towards a carbonless society;
- c) to preserve biodiversity; to protect, restore, secure, care for and consolidate nature and its individual elements; to put an end to the destruction of and damage to nature and the environment;
- d) to assist groups within civil society to protect themselves against the challenges of climate change and adapt to the requirements for supplying renewable energy;
- e) to militate against acts by society and in the fields of politics and economics that are in any way deleterious to a viable, natural environment; and
- f) to put forward models, approaches and solutions for sustainable lifestyles and economic practices and to engage in their implementation, in both industrialised countries and developing countries.

In pursuit of this disinterested purpose, the association's objects are to conduct the following activities both in Belgium and elsewhere on its own or its members' behalf:

- a) preparing and disseminating information;
- b) measures to develop the capabilities of groups within civil society;
- c) raising awareness to encourage sustainable lifestyles;
- d) maintaining contact with other groups in society, corporations and political decision-makers.

Barring any exceptions, it possesses full legal capacity to carry out all acts and operations relating directly or indirectly to its objects or that are in direct or indirect furtherance of those objects, in whole or in part.

It may acquire interests by way of association, contribution, merger or any other means in any company, association or undertaking having objects identical, analogous or connected to its own or liable to further the activities and objectives set out in the foregoing.

It may act in the office of board member or liquidator of other associations.

It may stand surety or put up real security for legal persons having objects identical, analogous or connected to its own or liable to further the activities and objectives set out in the foregoing, in the widest sense.

Article 4. Term

The association is incorporated in perpetuity.

Part II: Membership

Section I: Admission

Article 5. Members

- (1) The association is made up of Full Members and Associate Members. The number of members may not fall below three and there may at no time be fewer than three Full Members.
- (2) The following are Full Members:
 - the founding members;
 - persons admitted as Full Members under article 6(1) and fulfilling the following requirements:
 - of being an individual who recognises the values enunciated in article 3 and gives full or partial commitment to those ends;
 - of intending to share their related professional interests within the meaning of article 3.
- (3) The following are Associate Members:
 - persons admitted as an Associate Member under article 6(2) and fulfilling the following requirements:
 - of being an individual or organisation that recognises the values enunciated in article 3 and gives a full or partial commitment to those ends;
 - of being available for collective action.
- (4) Associate Members' rights and obligations do not extend beyond those set down in these articles of association.
- (5) In acting as such, members have a duty to remain formally independent of any government or organisation engaged in gainful activity. Whenever members perceive a conflict between CMW's objectives and their own pecuniary interests, they must notify the chairperson of the board of management.

Article 6. Admission procedure

(1) Admission as a Full Member

Persons wishing to be admitted as Full Members must fulfil the requirements set down in the immediately preceding article and have their application passed by the membership in general assembly. To this end, applicants must send the board of management an application, by signed-for or regular post, by e-mail sent to the association's e-mail address or via its website, containing their reasons for applying and their full name and address. Applications are set down on the agenda of the next annual general assembly or of any earlier special general assembly, at which all outstanding applications are dealt with. Within a week of the general assembly being held and a resolution being passed, the board of management notifies applicants by signed-for or regular post or by e-mail of the decision taken on their applications. The general assembly does not require to state its reasons for rejecting an application, against which no appeal shall lie.

(2) Admission as an Associate Member

Persons wishing to be admitted as Associate Members must fulfil the requirements set down in the immediately preceding article and have their application passed by the board of management. To this end, applicants must send the board of management an application containing their full name and address by signed-for or regular post or by e-mail sent to the association's e-mail address or via its website. The board of management sends applicants notice of its resolution by signed-for or regular post or by e-mail within two weeks of receiving an application. The board of management does not require to state its reasons for rejecting an application, against which no appeal shall lie.

(3) Membership lasts for three years and renews automatically unless the member states otherwise or unless the member has not been active over the two previous years (no notice of non-attendance at general assemblies or uptake of other commitments). Where members have been inactive for two years, the Executive Director (as defined in article 17) gets in touch to see what interest there is in continuing membership.

Section II: Cancellation of membership and exclusion

Article 7. Cancelling membership

- (1) Each Full or Associate Member of the association may cancel their membership at any time. Cancellation is notified to the board of management by letter sent by ordinary post to the association's registered office or by e-mail to its e-mail address.
- (2) Full and Associate Members ceasing to fulfil the requirements set down in article 5 in order to become a Full or Associate Member are deemed *ipso iure* to have cancelled their membership as and of that time. The death, insolvency or notour bankruptcy of, or a writ of interdict against, any Full or Associate Member shall *ipso iure* deem their membership cancelled as of the date of the relevant occurrence. Full and associate membership of persons failing to pay their subscriptions within one month of their being called upon to do so in writing sent by signed-for or regular post or by e-mail to the e-mail address notified to the association is deemed cancelled.
- (3) No Full or Associate Members may lay claim to the assets of the association or to the return of their contributions or of subscriptions they have paid.
- (4) No action shall lie to any Full or Associate Member to claim or demand any statement or production of accounts, lay seals or order inventory.

Article 8. Exclusion

- (1) On a proposal by the board of management or any Full Member, the association can exclude a Full or Associate Member without requiring to show cause.
- (2) Power to order a Full Member's exclusion lies **exclusively with the members in general assembly**. The exclusion proposal is intimated to the Full Member in question by e-mail sent to the e-mail address notified to the association at least one month prior to the general assembly at which it is to be voted on. If the member in question has opted to communicate with the association by post, the proposal is sent to them by signed-for delivery. A Full Member whose exclusion is proposed must be given the chance to be heard at the general assembly. In addition, they may formulate remarks in writing, to be intimated using the same means ahead of the general assembly once the exclusion proposal has been served. A proposal to exclude a Full Member may only be passed by the members in general assembly under adherence to the quorum and majority requirements applying to amendments to the articles of association.
- (3) The board of management has power to rule on the exclusion of Associate Members. The exclusion proposal is intimated to the Associate Member in question by e-mail sent to the e-mail address notified to the association. If the member in question has opted to communicate with the association by post, the proposal is sent to them by signed-for delivery. The Associate Member whose exclusion is proposed has one month after being sent the exclusion proposal in which they may give the board of management notice of their remarks in writing according to the same procedures. The member in question must be given a hearing if requested.
- (4) Within two weeks, the board of management e-mails the Full or Associate Member notice of the resolution to exclude them to the e-mail address they have notified to the association. If the member in question has opted to communicate with the association by post, the motion is sent to them by signed-for delivery.
- (5) No excluded Full or Associate Members may lay claim to the assets of the association or to the return of their contributions or of subscriptions they have paid.
- (6) No action shall lie to an excluded Full of Associate Member to claim or demand any statement or production of accounts, affix seals or order inventory.

Article 9. Membership subscriptions

The Full Members and Associate Members pay annual subscriptions, the amount of which may differ between the categories of members. The amount of the subscription is fixed by the board of management. It may not exceed a sum of five hundred (500) euros.

PART V. MANAGEMENT – AUDIT

Article 10. Composition of the board of management

The association is managed by a board made up of no fewer than the minimum number of members required by law (as at the date hereof, three persons) and no more than ten (10) members. Board members are appointed for an open-ended term by the members in general assembly unless a fixed term is set down at the meeting at which the board members are appointed. Any board member may be recalled from office by the members in general assembly at any time with immediate effect; no cause need be stated. Retiring board members are eligible for re-election. The office of retiring board members who are not re-elected ceases immediately after the general assembly at which the re-election process has been gone through. Any member of the board of management may resign by simply notifying the board of management thereof. It is open to them to undertake any measure necessary to render termination of their office binding *erga omnes*. Board members who wish to resign must continue in office post-resignation until such reasonable time thereafter as a replacement is found. In the case of a board membership falling vacant before the office in question reaches its term, the remaining board members are entitled to co-opt a new board member. The membership must confirm the appointment of the co-opted board member at the next following general assembly. If confirmation is given, the co-opted board member serves out the office of his predecessor unless otherwise decided at the general assembly. Failing confirmation, the office of the co-opted board member terminates after the general assembly, whereby there shall be deemed to have been no irregularity concerning the composition of the board of management up to that time.

Article 11. Chair of the board of management

The board of management elects a chairperson from its midst. It may also elect a deputy chairperson, treasurer and/or secretary. Where the chairperson is indisposed, the deputy chairperson acts in their place, failing whom another board member designated by the board members, failing agreement on which, the eldest board member present.

Article 12. Calling meetings of the board of management

Meetings of the board of management are called by the chairperson, failing whom the deputy chairperson or secretary, failing whom or in the event of whose indisposition, another board member designated by the board members. Notices are in writing, issued no later than a week before the meeting, except in urgent cases. In the latter cases, the nature of and reasons for the urgency are set out in the notice of meeting or the minutes of the meeting. Meetings are held at the venue stated in the notice of meeting or, failing any such mention, at the association's registered office. Meetings can also be held virtually (using on-line conferencing platforms such as GoTo, WebEx or Zoom).

Article 13. Deliberations of the board of management

The board of management may not deliberate or rule unless one half of its members are present or represented. Board members may issue proxy powers to a fellow board member to represent them at a given meeting of the board of management and to vote in their place and stead. Proxies may be given in writing or electronically. The party issuing the proxy is then deemed present in person. No board member may act as proxy for more than two other board members. Provided half the members of the board of management are present in person, a board member may also issue views and cast votes in writing. Resolutions of the board of management are passed on a majority of votes. Resolutions of the board of management may be taken by unanimous consent of all the board members involved in the ballot by casting votes in writing or electronically. In the case of a tie, the person chairing the meeting has a casting vote. However, where the association has only two board members, the chairperson's casting vote is suspended until such time as the board of management again comprises three or more members.

Article 14. Minutes of meetings of the board of management

Resolutions by the board of management are set down in minutes signed by the chairperson of the meeting and such board members as so desire. The minutes are set down in a special register. Copies and extracts of

minutes are signed by one or more members of the board of management possessing power of representation, according to article 15(2).

Article 15. Powers of the board of management

(1) The board of management has power to carry out all acts necessary or expedient for achieving the association's objects apart from those that, by law or under these articles of association, are the preserve of the members in general assembly.

(2) The board of management represents the association, including before the courts of law.

Without prejudice to the board of management's general power of representation as a collective responsibility body, the association is validly bound in court proceedings by all acts signed by the chairperson of the board of management or, in their absence, the deputy chairperson or by a special attorney in fact, each acting separately. They do not require to produce evidence of their powers to third parties.

Article 16. Board members' emoluments

The members in general assembly resolve on whether a board membership shall be paid or unpaid. If it is paid, the members in general assembly determine by an absolute majority or the sole shareholder determines, as the case may be, the amount of the emoluments, fixed or proportional as they may be. The emoluments are charged to overheads separately from any representation and travel costs.

Article 17. Routine management

The board of management may delegate routine management of the association and its representation relative to such management to an "Executive Director". Routine management also covers acts and decisions that lie within the bounds of the association's day-to-day needs and acts and decisions that, being of an urgent nature, require action without the involvement of the board of management. Persons to whom routine management duties are delegated may, in relation to such management, engage agents to act under particular powers. The board of management fixes any emoluments and pay for persons to whom routine management duties are delegated. They may at any time resign their appointment.

Article 18. Audit of the association's books

If required by law and within such limits as are laid down, the association's books are audited by one or more statutory auditors, who are appointed for a term of three years and are eligible for reappointment.

PART VI. GENERAL ASSEMBLIES OF MEMBERS

Article 19. Composition

General assemblies comprise the Full Members.

Article 20. Powers

The members in general assembly exercise the powers conferred on them by statute and under these articles of association. They include the following exclusive prerogatives, exercise of which lies solely to the members in general assembly:

- 1) amendments to the articles of association;
- 2) the appointment and recall of board members and determination of their emoluments in the event a board membership is paid;
- 3) the appointment and recall of statutory auditors and determination of their emoluments;
- 4) the quietus to be accorded to board members and statutory auditors and the raising of any proceedings directed against the board members and statutory auditors;
- 5) endorsement of the annual accounts and budget;
- 6) winding-up of the association and use of the association's net assets upon its winding-up;
- 7) exclusion and acceptance of Full Members;
- 8) the non-profit association's reincorporation as an international non-profit association, a cooperative licensed as a social enterprise or a licensed social enterprise cooperative;
- 9) making or accepting contribution of a totality of assets for no valuable consideration;

10) all other cases in which the law or these articles of association so require.

Annual general assemblies called in compliance with the articles of association are deemed quorate regardless of how many members are present at them.

Article 21. Holding and calling general assemblies

Once a year, an annual general assembly is held. If falling on a public holiday, the general assembly is put back to the following working day, the members meeting either in person or virtually (using on-line conferencing platforms such as GoTo, WebEx or Zoom). The board of management and any statutory auditor must call a general assembly in such cases as are set down by law or the articles of association and any time as to do so is required in the association's interests or where at least one-fifth of the Full Members so request. In the last case, those Full Members shall state in their request the matters to be set down on the agenda. The board of management or statutory auditor, as the case may be, calls the general assembly within twenty-one days of the request to call it, the general assembly being held on the fortieth day following that request. Notices of meetings contain the agenda. Any proposal signed by at least one-twentieth of the Full Members shall figure on the agenda. Notices are issued by e-mail or any other form of electronic communication at least two weeks beforehand to the Full Members, board members and any statutory auditors. They are sent by ordinary post to those persons for whom the association does not have an e-mail address on the same day as the electronic notices are sent out. Copies of documents requiring by law to be produced at a general assembly are sent without delay and free of charge to the Full Members, board members and statutory auditors so requesting. Any person may waive the requirements for the calling of general assemblies and will be deemed to have been duly served notice of the meeting if they are present or represented at it.

Article 22. Admission to general assemblies

Only those who are Full Members and are registered as such in the register of members may be admitted to and cast votes at general assemblies. Notices may provide that, to take part in a general assembly, members must also notify the association of their intention to be there at least five working days ahead of time by letter sent to the association's registered office or by e-mailing it at its e-mail address. Associate Members registered as such in the register of members may, on request, take part in general assemblies with a consultative voice. The Full Members may nonetheless require Associate Members to leave the meeting for one or more agenda items identified by them. If the agenda requires, one or more observers, who may but need not be Associate Members, can attend a general assembly and, provided the meeting's chair agrees, address it. The Full Members may ask the observers to leave the meeting for agenda items not requiring their presence. Where a general assembly's deliberations are based on a report prepared by the statutory auditor, the auditor must take part at the meeting.

Article 23. General assembly sessions

General assemblies are chaired by the chairperson of the board of management, failing whom the deputy chairperson, failing whom the eldest board member. If no board member is present, a general assembly is chaired by the eldest member present. The chair appoints the secretary.

Article 24. Deliberations

(1) Only Full Members are entitled to vote at general assemblies. The votes of all Full Members are of equal weight at general assemblies, and each is endowed with one vote.

(2) Any Full Member may issue another Full Member with a written proxy to represent them at a meeting and vote in their place and stead. No Full Member may take part in a general assembly as a holder of more than two such proxies. Issued proxies remain valid for each successive general assembly at which the business comprises the same agenda items except where the person issuing the proxy has meanwhile ceased to be a member of the association.

(3) No meeting may deliberate on business not figuring on the agenda unless all those requiring to be called to the meeting are present or represented and, in the latter case, unless the proxies make express mention of that fact.

(4) Other than where otherwise provided by statute or in these articles of association, resolutions are passed on a majority of votes regardless of how many shares are represented at the general assembly in question.

Article 25. Minutes

(1) Minutes recording resolutions passed by general assemblies are entered in a register held at the registered office. They are signed by the chairperson of the general assembly in question and its secretary and by those members who were present who so request. The minutes register is kept at the association's registered office, where any member may inspect them, albeit without removing them from that place. Copies intended for third parties are signed by one or more members of the board of management possessing power of representation.

PART VII. FUNDING – ACCOUNTING REFERENCE PERIOD – BY-LAWS

Article 26. Funding

Apart from the subscriptions paid by the members, the association's funding comprises *inter alia* gifts, bequests and proceeds of its activities.

Article 26. Accounting reference period

The association's accounting reference date is the thirty-first of December, at which date the association's books are drawn down and the board of management prepares annual accounts in accordance with applicable law. The board of management also prepares a proposed budget for the following accounting period. The board of management submits the annual accounts for the immediately preceding accounting period and the proposed budget for the succeeding accounting period to the annual general assembly.

Article 28. By-laws

By-laws may be laid down by the board of management

PART VIII. DISSOLUTION – LIQUIDATION

Article 29. Dissolution

The association may be dissolved at any time by resolution of the members in general assembly passed under the same requirements as for amendments to the association's objects or disinterested purpose. Any legal ratios requiring to be applied in terms of obligations will be adhered to in this respect.

Article 30. Liquidators

In the event of the association being dissolved, howsoever and whenever arising, the board members in office are designated as liquidators pursuant to these articles of association failing the designation of some other liquidator, without prejudice to the prerogative available to the members in general assembly to designate one or more liquidators and fix their powers and emoluments.

Article 31. Allocation of net assets

When the association is wound up and liquidated, the members in extraordinary general assembly will resolve on how to allocate the association's net assets, which shall in any event be allocated to a disinterested purpose. This allocation is made following settlement of all debts, charges and expenses of the liquidation or after consignment of the amounts required to that effect.

PART IX. MISCELLANEOUS PROVISIONS

Article 32. Choice of venue for service

For the purposes of implementation of these articles of association, all members, board members, statutory auditors and liquidators resident abroad choose venue for service at the registered office, where all communications, summonses, writs and notices may validly be served upon them barring any other venue for service that they might have chosen in Belgium for dealings with the association.

Article 33. Court jurisdiction

Exclusive jurisdiction in all disputes between the association, its members, its board members, its statutory auditors and its liquidators relative to the association's affairs and implementation of these articles of association lies with the courts competent for the place of the association's registered office, failing any express renunciation hereof by the association.

Article 34. Status of the ordinary law

Those provisions of the Companies and Associations Code not lawfully derogated from are deemed incorporated by reference in these articles of association and any provisions that are contrary to the mandatory provisions of the Companies Code are disregarded as though they had not been written.

FINAL AND/OR TRANSITIONAL PROVISIONS

The assembled parties unanimously pass the following resolutions, with effect as of the date of lodging at the court registry of a service copy of the deed of incorporation, as according to law.

1. Initial accounting period and first annual general assembly

The initial accounting period commences on the date of lodging of a service copy of this act at the court registry and ends on 31 December 2020. Consequently, the first annual general assembly is to be held during 2021.

2. Website and e-mail address

The association's website is: carbonmarketwatch.org. The association's e-mail address is: info@carbonmarketwatch.org. All communications sent to that address by members of the association are deemed validly intimated.

3. Appointment of board members

The following are appointed as board members for a term of six years:

1) Mr **Robert ELSWORTH**, born in Manchester on 4 June 1984, residing at Flat 22, Turner Court, Albion Street, London, SE16 7JU, United Kingdom.

NNbis:

2) Ms **Délia Leona Pandora VILLAGRASA**, born in Riehen, Basle, Switzerland, on 15 November 1962 (NN 62.11.15-502.39), residing at 30 Rue Albert de Latour, 1030 Schaerbeek.

3) Mr **Aki KACHI**, born in Salt Lake City on 19 April 1982, residing at 24 Gartenstrasse, 10115 Berlin, Germany.

NNbis:

4) Mr **Bram CLAEYS**, born in Eeklo on 3 August 1973 (NN 73.08.03-317.18), residing at 32 Irisstraat, 1640 Sint-Genesius-Rode.

5) Mr **Martin Howard Andrew PORTER**, born in Edinburgh on 22 May 1967 (NN 67.05.22-559.29), residing at 112 Avenue Fond'Roy, 1180 Uccle.

6) Mr **Jürgen MAIER**, born in Dagersheim J Böblingen on 5 April 1963, residing at 6 Dahlmannstrasse, 10629 Berlin, Germany.

NNbis:

7) Ms **Barbara HAYA**, born in Pennsylvania on 1 September 1969, residing at 839 56th St., Oakland, CA 94608, United States of America.

NNbis:

Their offices are unpaid or remunerated as may subsequently be resolved by the members in general assembly.

4. Statutory auditor

The association being under no legal obligation to do so, the parties resolve not to appoint a statutory auditor at the present time.

5. Assumption of commitments given on behalf of the association in incorporation

All commitments, together with the resultant obligations, and all activities engaged in by one or another of the assembled parties in the name and for the account of the association in incorporation are assumed by the association hereby incorporated by resolution of the board of management, to which effect is given as of the moment at which the association acquires legal personality.

6. Powers

The meeting appoints the Executive Director of CMW, Ms Sabine FRANK, born in Schwäbisch Hall on 21 April 1968, residing at 123 Rue Champ du Roi, 1040 Etterbeek, Brussels, or such other person as may be designated by her and is designated as an *ad hoc* attorney in fact of the association for the purposes of having disposition of the funds, signing all documents and proceeding with all required formalities with the VAT authority or with the aim of registration with the register of companies, and of issuing acknowledgements of receipt for all postal packages and signed-for deliveries.

To the foregoing effects, the *ad hoc* attorney in fact shall have power to undertake all commitments on behalf of the association, to make such declarations as shall be appropriate, sign all documents and, in general, do all that which is expedient or necessary for execution of the powers conferred upon her or him.

7. The persons appointed as board members in terms of the foregoing, present or represented as stated, declare that the following resolutions are passed unanimously by them:

Mr Robert Elsworth, aforesaid, is appointed as **chairperson of the board of management** for the duration of his term in office as a board member, is present and accepts such appointment.

Ms Délia Villagrasa, aforesaid, is appointed as **deputy chairperson of the board of management** for the duration of her term in office as a board member, is present and accepts such appointment.

Ms Sabine Frank, aforesaid, is appointed as Executive Director and is endowed with all powers for routine management of the association and for its representation relative to such management, with power to delegate, is present and accepts such appointment.

8. Costs and declarations of the parties

The assembled parties confirm being aware that the costs, remunerations or charges incumbent on the association by reason of its incorporation amount to one thousand, one hundred euros. They acknowledge that the undersigned notary public has drawn to their attention the fact that, in aspiring to its objects, the association may first be obliged to obtain authorisations or licences or meet certain requirements pursuant to rules in force relative to being accorded access to carrying on certain activities.

FISCAL DECLARATION

Stamp duty (Miscellaneous Duties and Levies Code) amounts to ninety-five euros (EUR 95) and is paid upon declaration by the undersigned notary public.

OF WHICH RECORD

Given and adopted in Brussels, on the date as aforesaid.

The parties state to me that they have duly read over the draft of this act further to same having been sent by notary public de Clippele, undersigned, on this day and that the time allowed was sufficient for them to examine it to all expedient purposes.

And, after being read forth in full and commented upon, the parties here assembled in person or by proxy as stated do sign these presents along with the notary public.