

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 OBJECTIVES

- 3.1 The Association has as its members companies, business organisations and affiliated national and regional trading associations around the world that have an interest in securing and promoting the effective operation of greenhouse gas emissions trading at national, regional and international levels.



3.2 The mission of the Association shall be to:

Be an independent, not for profit organisation dedicated to the development and establishment of effective market-based trading systems for greenhouse gas emissions by businesses that are demonstrably fair, open, efficient, accountable and consistent across national boundaries.

3.3 The objectives of the Association shall be to:

- (a) be a leading advocate for the promotion of public interest in the protection of the environment and the effects thereon through greenhouse gas emissions;
- (b) provide a forum for learning and sharing information and practical experiences on emission trading;
- (c) hold and sponsor activities such as conferences, seminars and meetings to assist its members, policy makers and other interested parties learn from each other in order to secure greenhouse gas emissions trading systems and frameworks that are consistent with the Association's mission;
- (d) provide a repository of information on greenhouse gas emissions trading and other market based approaches to reducing greenhouse gas emissions at national, regional and international levels;
- (e) offer a mechanism to identify emissions trading opportunities;
- (f) foster close links with other bodies which have responsibilities and/or expertise that are relevant to the Association's mission, including governments, non-governmental and business organisations;
- (g) facilitate learning, education and training on all or any subject matters that fall within the Association's overall mission;
- (h) be a forum for mediation between members on issues relating to greenhouse gas emissions trading;
- (i) not to exercise any profit making activity;
- (j) do all such other lawful things as may be incidental or conducive to the mission of the Association and/or shall further the above objectives or any of them.



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 but the widest interpretation shall be given to each such object.
- (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 local or regional offices.

ARTICLE IV - MEMBERSHIP

- 4.1 Members of the Association shall represent a broad base of all relevant businesses and industry sectors in developed, emerging and developing economies.
- 4.2 Every entity which wishes to become a member shall deliver to the Association an application for membership, in such form as the Council requires. An application for membership may be approved or rejected by the Council as it sees fit and the Council shall not be obliged to inform the applicant of the reason or reasons (if any) for the rejection by the Council of an application for membership. The Council shall have the right for good and sufficient reason to terminate the membership of any member PROVIDED THAT the member concerned shall have a right to be heard before a final decision is taken.
- 4.3 Unless the members of the Council or the Association in General Meeting shall make other provision pursuant to the 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 three.



- 4.4 All members shall pay a non-refundable annual subscription fee of such amount and in such manner and at such time as the Council may from time to time determine.
- 4.5 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.

ARTICLE V - GENERAL MEETING

- 5.1 Annual and Extraordinary General Meetings of members of the Association shall be convened by the Chairman of the Association by notification sent to members at least 30 days before the date of the meeting. This notification shall indicate the time and place for the meeting.
- 5.2 The notification shall also indicate the agenda for the meeting. Except for amendments to the Statutes of the Association or its constitution, items may be added under any other business unless opposed by a majority of those present.
- 5.3 The quorum for a General Meeting at which decisions are to be taken concerning amendments to the Statutes of the Association, the dissolution of the Association, or the merger of the Association with another shall be reached when at least the majority of members are represented at the meeting or by proxy given to another member present at the meeting. No quorum is required at General Meetings where other decisions are taken.
- 5.4 Decisions to amend the Statutes of the Association, the dissolution of the Association, or the merger of the Association with another require a two thirds majority of members represented at the meeting or by proxy given to another member present at the meeting.
- 5.5 Other decisions require a simple majority of members represented at the or by proxy given to another member present at the meeting.
- 5.6 The Annual General Meeting shall take place each year within 12 months of the Association's financial year, on the date and at the place indicated in the notification of the Annual General Meeting.



- 5.7 Extraordinary General Meetings may be convened at any time by the Chairman. They must also be convened by the Chairman within 60 days of receipt of request for such a meeting from members with at least 20 % of the votes. This request shall specify the reason or reasons for holding an Extraordinary General Meeting.
- 5.8 General Meetings shall be chaired by the Chairman of the Association or, in the absence of a Chairman, by a Vice Chairman or, failing any of them, by a 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 mail, facsimile or e-mail) 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 Secretariat by each Member as its e-mail notification address.

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.
- 6.2 In particular, the Association in General Meeting is competent to:
- (a) appoint the Chairman (including Vice Chairman), and members of the Council;
 - (b) determine the priorities and direction of the Association;
 - (c) approve the membership fee;
 - (d) approve the Association's budget;
 - (e) amend the Statutes of the Association;
 - (f) dissolve or merge the Association;
 - (g) adopt, alter or repeal the Rules or Bye Laws of the Association;
 - (h) determine any other business within its competence.



ARTICLE VII - VOTE OF MEMBERS

- 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.

ARTICLE XIII - COUNCIL OF MANAGEMENT

- 8.1 The day to day management of the Association shall be entrusted to the Council which will meet as often as required to oversee the work of the Association along the lines determined by the Association in General Meeting.
- 8.2 The maximum number of Council members shall be determined by the Association in General Meeting, but unless and until so fixed the maximum number shall be eighteen (18). The minimum number of Council members shall be two. The immediate past Chairman of the Council can 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 Association in General Meeting 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.
- 8.3 Each Council member shall be appointed by the Association in General Meeting and shall hold one vote in Council meetings.
- 8.4 In particular, the Council is competent to:
- (a) appoint the Executive Director;
 - (b) approve the work program;
 - (c) agree an annual budget for approval by the Association in General Meeting;
 - (d) approve the annual report and accounts;
 - (e) approve reports and executive briefs released in the name of the Association;
 - (f) handle membership issues in accordance with the Statutes of the Association;
 - (g) appoint signatories for the Association;



- (h) appoint the auditors of the Association;
- (i) authorise as required representatives who may bind the Association and dispense its funds.

8.5 Members are appointed for a term of two calendar years commencing the 1st day of January following their appointment by the Association in General Meeting, with the exception of 2001 when 50% of the Council will be elected for a one-year term. The intention is that 50% of the Council will be elected annually. Members of the Council may be re-elected.

8.6 The Council shall be convened by the Chairman or, failing him, by a Vice Chairman or another member of the Council. The notification indicating the date and place and agenda for a meeting shall be faxed to each Council member at least 14 days before the meeting.

8.7 A quorum for a Council meeting shall be formed when the majority of its members are present in person or by telephone. Decisions shall be taken by a simple majority of the votes of the members present at a meeting where a quorum has been reached.

ARTICLE IX - SECRETARIAT

9.1 The Association will have a permanent secretariat as determined by the Council. The Executive Director will manage the secretariat and report to the Chairman and Council. He will have authority to recruit secretariat staff.

9.2 The secretariat will be responsible for co-ordinating the work of the Association, the day to day progress on work programs, administration of staff and budgets, and appropriate external representation.

ARTICLE X - RESOURCES

10 The Association is a non-profit organisation and shall be financed by annual membership fees. These shall be payable at the beginning of each year at levels to be recommended by the Council and approved by the Association in General Meeting.



ARTICLE XI - ACCOUNTS

- 11.1 The Council shall cause accounting records to be kept in accordance with Swiss law. 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 officers 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 Association in General Meeting.
- 11.4 The Council shall from time to time in accordance with Swiss law cause to be prepared and to be laid before the Association in General Meeting 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 Association in General Meeting, together with a copy of the auditor's report, and the Council's report, shall not less than twenty-one days before the date of the meeting be sent to every member of the Association. Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Association is not aware.

ARTICLE XII- AUDIT

- 12 The Council 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 Annual General Meeting.



ARTICLE XIII - DISSOLUTION

- 13.1 The liability of the members is limited.
- 13.2 Every member of the Association undertakes to contribute to the assets of the Association, in the event of the same being dissolved while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Association contracted before he ceases to be a member, and of the costs, charges and expenses of dissolution, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding one Swiss Franc.
- 13.3 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.
- 13.4 The income and property of the Association shall be applied solely towards the promotion of its objects as set forth herein and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Association except by way of authorised remuneration of the Association's officers.

ARTICLE XIV - APPLICATION OF INCOME

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



ARTICLE XV - RULES OR BYE LAWS

- 10 (a) The Council may from time to time make such Rules or Bye Laws 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 Rules or Bye Laws regulate:
- (i) the admission and classification of members of the Association, and the rights and privileges of such members, and the conditions of membership and 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) 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 at General Meetings and meetings of the Council and Sub-committees in so far as such procedure is not regulated by these Statutes;
 - (v) and, generally, all such matters as are commonly the subject matter of Association rules.
- (b) The Association in General Meeting shall have power to alter or repeal the Rules or Bye Laws and to make additions to them and the Council shall adopt such means as they deem sufficient to bring to the notice of members of the Association all such Rules or Bye Laws, which so long as they shall be in force, shall be binding on all members of the Association. Provided, nevertheless, that no Rule or Bye Law shall be inconsistent with, or shall affect or repeal anything contained in these Statutes.



ARTICLE XVI - PROFESSIONAL CONFIDENTIALITY

- 16 The members of the all the internal bodies of the Association shall be bound by professional confidentiality as to the nature and content of any 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 post to it or to its registered address. Proof that an envelope containing a notice was properly addressed, prepared and posted shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of five working days after the envelope containing it was posted.
- 17.2 Notice of every General Meeting shall be given in any manner hereinbefore authorised to:
- (a) every member except those members which have not supplied to the Association an address for the giving of notices to them; and
 - (b) the auditor for the time being 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 Statutes: "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 Statutes 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.

Signed by Chairman, Vice Chairman and Director

1 Jack Cogen
President
Natsource - Global Headquarters
100 William St.
Suite 2005
New York, NY 10038, USA



Signature

Cancun, 7 December 2010

Place & Date

2 David Hone
Group Climate Change Adviser
Shell International B.V.
PO Box 162, 2501 AN
The Hague, The Netherlands

Cancun, 7 December 2010

Signature



Place & Date

3 Henry Derwent
President and CFO,
IIFA
24, rue Merle d'Aubigné
1207 Geneva
Switzerland

Signature



Cancun, 7 December 2010

Place & Date