



MEDREG CONSTITUTIVE ACT STATUTES

As approved by the 16th MEDREG General Assembly meeting
19 November 2013

MEDREG CONSTITUTIVE ACT

1. On 15 November 2007, the undersigned Energy Regulatory Authorities and/or Agencies, validly represented as indicated in the legal version of the Act (Italian version):
 1. ERC - Jordan
 2. MRA - Malta
 3. SERC – Bosnia and Herzegovina
 4. CERA – Cyprus
 5. HERA – Croatia
 6. RAE – Greece
 7. ERSE – Portugal
 8. ARH – Algeria (Gas)
 9. CREG – Algeria (Electricity)
 10. PUA – Israel (Electricity)
 11. EgyptEra – Egypt (Electricity)
 12. PERC – Palestine
 13. AGEN – Slovenia
 14. ERE – Albania
 15. NGA – Israel (Gas)
 16. MEMEE – Morocco
 17. REGAGEN – Montenegro
 18. MIT – Tunisia
 19. AEEG – Italy
 20. CNE – Spain
 21. EMRA – Turkey
 22. CRE - France

have agreed on this Constitutive Act.

2. The purpose of this act is to determine the scope and establish a not-for-profit association (*Associazione non riconosciuta*) under Italian law, named Mediterranean Working Group on Electricity and Natural Gas Regulation. The registered office of the Association is established in Rome at the premises of the Italian Energy Regulatory Authority (AEEG), via dei Crociferi 19.

3. To promote the achievement of a consistent, harmonized and investment-friendly regulatory framework aimed at providing the maximum benefits to energy consumers of the Mediterranean region, the Authorities and/or Agencies that are part of the Association have agreed upon the following objectives:

- information exchange, joint analysis and comparison of existing energy legislation and regulation;
- organization of specialized training, technical assistance, exchange of know-how and experience;
- development of common positions on regulatory issues, including criteria for those issues related to cross border electricity and gas trade;



- promotion the integration of Euro-Mediterranean regional electricity and natural gas markets, considering and building upon the projects already under development;
- promotion of harmonized, transparent and non discriminatory market rules.

4. The assets of the Association are:

- Members' contributions;
- Possible funding from the European Commission;
- Other funding or grants received by MEDREG;
- Payment for services provided by MEDREG.

5. The Association is regulated by the 21 articles of the Statutes, which are an integral and substantial part of this Constitutive Act, by the related articles of the Italian "*Codice Civile*" and by the internal rules of procedure.

8. All necessary powers are hereby granted to the President for the formalities required by law, the declaration of the Association and the registration of the Constitutive Act and the Statutes and any subsequent modifications with the competent offices.

9. Each founder declares having received a copy of the present Constitutive Act for the formation of the Association. One copy shall be kept in the registers of the Association and the other two shall be used for registration.

Rome, 15 November 2007

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Agreement for the constitution of the Association of Mediterranean Energy Regulators.

TITLE I

Constitution

The undersigned:

- **ALBANIAN ELECTRICITY REGULATORY AUTHORITY (ERE)**, an independent Regulator based on the Power Sector Law No.9072, as of 22.05.2003 amended, with registered office at Rr. Marsel Kashen Nr. 10 Tirane, Albania, validly represented by Mr. Petrit Ahmeti in his capacity of Chairman;
- **AUTORITÀ PER L'ENERGIA ELETTRICA E IL GAS (AEEG)**, an independent Regulator established by Law no. 481/95 as of 14 November 1995, with registered office at Piazza Cavour 5, 20121 Milano, Italy, validly represented by Mr. Guido Bortoni in his capacity of President;
- **AUTORITE DE REGULATION DES HYDROCARBURES (ARH)**, an independent statutory body established by Law no. 05/07 as of 28 April 2005, with registered office at Tour B val d'Hydra Ben Aknoun 16000 Alger, validly represented by Tahar Cherif Zerarka, President of the Managing committee;
- **COMISIÓN NACIONAL DE LOS MERCADOS Y LA COMPETENCIA (CNMC)**, an authority in charge of both competition and regulatory matters, established by the Act 3/2013 of 4 June 2013, with registered office at Calle Alcalá, 47, 28014 Madrid, Spain, validly represented by Mr. José María Marín Quemada, in his capacity of President;
- **COMMISSION DE REGULATION DE L'ENERGIE (CRE)**, an independent administrative authority established by Law No. 2000-108 as of 10 February 2000, with registered office at 15, rue Pasquier , 75379 Paris cedex 08, France, validly represented by Mr. Philippe de Ladoucette in his capacity of President;
- **COMMISSION DE REGULATION DE L'ELECTRICITE ET DU GAZ (CREG)**, an independent statutory body, established by law n. 02-01 of 5th February 2002, with registered office at Val d'Hydra, Ministère de l'Energie et des Mines, Algiers, Algeria, validly represented by Mr. Nadjib Otmane, in his capacity of President;
- **CROATIAN ENERGY REGULATORY AGENCY (HERA)**, a not-for profit public institution, established by the Energy Act n. 68/01, 177/04 and 76/07, with registered office in Koturaska 51, Zagreb, Croatia, validly represented by Mr. Tomislav Jurekovic, in his capacity of President;

- **EGYPTIAN ELECTRIC UTILITY AND CONSUMER PROTECTION REGULATORY AGENCY**, an independent statutory body established by the presidential decree n. 399/2000 as of August 23, 2000, with registered office at 1 Maher Abbza st., Nasr city 11811, Cairo Egypt, validly represented by Dr. Hafez A. El-Salmawy in his capacity of Managing Director;
- **ELECTRICITY REGULATORY COMMISSION (ERC)**, an independent statutory body related to the Prime Minister, established by General Electricity Law n. 13 as of 1999, with registered office in Zaharan Street, 7th circle, 1865 Amman, Jordan, validly represented by Mr. Thabit Al taher in his capacity of Chairman;
- **MINISTRY OF ENERGY AND MINERAL RESOURCES OF JORDAN (MEMR)**, with registered office in Amman, Jordan, validly represented by Dr Musa Mohammed Hamid, in his capacity of Minister for Energy and Mineral Resources;
- **ENERGY AGENCY OF THE REPUBLIC OF SLOVENIA**, established by the Energy Act and the Decision on the establishment of the Energy Agency of the Republic of Slovenia, with registered office in Strossmayerjeva ulica 30, 2000 Maribor, Slovenia, validly represented by Mrs. Irena Pracek in her capacity of Director;
- **ENERGY MARKET REGULATORY AUTHORITY (EMRA)**, an independent statutory body established by Law no. 4628 as of 03.03.2001, with registered office at Muhsin Yazicioglu Cd. 51/C Yuzuncuyil, Ankara, 06530, Turkey, validly represented by Mr. Hasan Köktas in his capacity of President;
- **ENERGY REGULATORY AGENCY OF MONTENEGRO (ERA)**, a self-standing, functionally independent and not for-profit organization established by Energy Law as of 21 January 2004, with registered office at Bul. Sv. Petra Cetinjskog 96, 81.000 Podgorica, Montenegro, validly represented by Mr. Branislav Prelevic in his capacity of President;
- **ENERGY REGULATORY AUTHORITY (CERA)**, an independent statutory body established by Law No. 122(I)/2003 as of 25/07/2003 with registered office at 81-83 Griva Digheni Avenue, Iacovides Building, 3rd floor, 1080 Nicosia, Cyprus, validly represented by Mr. Georgios Shammass in his capacity of President;
- **ENTIDADE REGULADORA DOS SERVIÇOS ENERGÉTICOS (ERSE)**, an independent statutory body, established by Decree Law nr. 187/95, as of July 27, and Decree no. 97/2002, as of April 12, with registered office at Edifício Restelo, Rua Dom Cristóvão da Gama no. 1, 1400-113 Lisbon, Portugal, validly represented by Dr. Doutor Vítor Manuel Da Silva Santos in his capacity of Chairman of the Board;

- **ISRAELI NATURAL GAS AUTHORITY (NGA)** an independent regulatory body in the Ministry of National Infrastructures, established by the Natural Gas Industry Act - 2002, with registered office at 216 Jaffa Rd., Jerusalem 91360, Israel, validly represented by Mr. Yehoshua Stern in his capacity of Director of the Authority and Chairman of the Council;
- **MALTA RESOURCES AUTHORITY (MRA)**, a statutory body, established by the Maltese House of Representatives (Act XXV of 2000) as of 2nd February 2001, with registered office at Millennia, Aldo Moro Road, Marsa, Malta, validly represented by Ing. James Camenzuli, in his capacity of Chairman;
- **MINISTRY OF ELECTRICITY OF LIBYA**, with registered office in Tripoli, Libya, validly represented by Mr. Ali Muhairig, in his capacity of Minister of Electricity;
- **MINISTRY OF INDUSTRY OF TUNISIA**, with registered office at 40 rue 8011, Monplaisir, 1002, Tunis, Tunisia, validly represented by Mr. Mehdi Jomaa, in his capacity of Minister for Industry;
- **MINISTRY OF ENERGY, MINES, WATER AND THE ENVIRONMENT**, a governmental Authority established in 1977, with registered office at quartier administratif B.P 6208 instituts Agdal, Rabat, Morocco, validly represented by Dr. Abdelkader Amara in his capacity of Minister of Energy and Mines;
- **PALESTINIAN ELECTRICITY REGULATION COUNCIL (PERC)**, an independent not for profit organization, established by the Palestinian law n. 12 as of 1995, temporarily located in West Bank, El Ersal Street, Zahret Al Masaef Building, Ramallah City Palestine, validly represented by Mr. Zafer Milhem in his capacity of Executive Director;
- **PUBLIC UTILITIES AUTHORITY -ELECTRICITY OF ISRAEL**, an independent statutory body, established by The Electricity Law as of 1996, with registered office in Hasoreg 1, Jerusalem 91012, Israel, validly represented by Ms. Orit Farkash-Hacohen in her capacity of Chairwoman;
- **STATE ELECTRICITY REGULATORY COMMISSION (SERC)**, an independent and non-profitable institution of Bosnia and Herzegovina (BIH), established by the Act on Transmission of Electric Power, Regulator and System Operator of BIH (“Official Gazette of BIH”, No. 7/02, of 10 April, 2002; amendments of the Law published in “Official Gazette of BIH”, No. 13/03, of 19 May, 2003), with registered office at Miška Jovanovića 4/II, 75000 Tuzla, Bosnia and Herzegovina, validly represented by Mr. Mirsad Salkić, in his capacity of President;
- **ΡΥΘΜΙΣΤΙΚΗ ΑΡΧΗ ΕΝΕΡΓΕΙΑΣ (RAE) (REGULATORY AUTHORITY FOR ENERGY OF ELLENIC REPUBLIC)**, an independent administrative authority established under the Greek Law



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No. 2773/1999 (Official Gazette A 286) and the Presidential Decree No. 139/2001 (Official Gazette A 121), with registered office at 132 Pireus Avenue, 11854 Athens, Greece, validly represented by Mr. Nikos Vasilakos in his capacity of President.

On 19 November 2013, have agreed to modify the statutes of the not-for-profit Mediterranean Working Group on Electricity and Natural Gas Regulation and renaming it as Association of Mediterranean Energy Regulators, of which the Statutes have been drafted as follows in accordance with the related articles of the Italian *Codice Civile* and with effect as from the date of registration of this Statutes by the competent office.

TITLE II

Statutes

CHAPTER 1

-- NAME, REGISTERED OFFICE, DEFINITIONS, PURPOSE, DURATION --

Article 1
Name

1.1 A not-for-profit Association is constituted under the name of “Association of Mediterranean Energy Regulators”, abbreviated “MEDREG”.

Article 2
Registered office

2.1 The registered office of the association is established in Milan at the premises of the Italian Regulatory Authority for Energy, Networks and the Environment (ARERA), Corso di Porta Vittoria, 27.

Article 3
Definition of MEDREG area

3.1 For the purpose of these Statutes, MEDREG area is the geographical zone which covers the following countries: Albania, Algeria, Bosnia and Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Jordan, Lebanon, Libya, Malta, Montenegro, Morocco, Palestine, Portugal, Slovenia, Spain, Syria, Tunisia and Turkey.

Article 4
Purpose

4.1 The objectives of the Association are listed under article 3 of the Constitutive Act.

4.2 In order to fulfil the objectives listed under article 3 of the Constitutive Act, the Association will:

- foster co-operation, information exchange and assistance among Members with a view to providing a framework for discussion, establishing expert views and exchanging experiences on all aspects falling within the scope of the Mediterranean markets for electricity and gas. Such co-operation should include, where possible, recommendations on a common vision and actions on agreed issues;
- promote and implement common practices among Members. MEDREG will examine and propose guidelines, recommendations and best practices that the Members will introduce in their regulatory practices on a voluntary basis, in compliance with their national legal order;
- contribute to the creation of effective and efficient mechanisms that enhance consistent development and monitoring of the markets for electricity and gas within the MEDREG area;
- observe and assess the evolution of electricity and gas markets in the MEDREG area, the global tendencies in energy regulation and their impact on the electricity and gas markets;
- use an appropriate process to consult market participants, consumers and operators,
- foster cooperation with other relevant regional and international organisations and institutions, with particular focus on regional and Mediterranean issues in the field of energy.

4.3 In the fulfilment of these objectives, the Association may carry out any act or activity in accordance with Italian law, in particular any legal provisions with respect to not-for-profit associations.

Article 5
Duration

5.1 The duration of the Association is unlimited.

CHAPTER 2

-- MEMBERS --

Article 6
Membership

6.1 Members of the association are the Regulatory Authorities for Electricity and/or Gas (hereafter “Energy Regulatory Authorities”) of the Mediterranean countries as defined by article 3 of the present Statutes. Where electricity and gas are regulated by different entities, both can apply for membership to MEDREG.

In case the regulatory functions are assumed by Agencies depending on a Ministry or by the Ministry itself, the Ministry will appoint a representative to MEDREG on a temporary basis, and pursuant to the commitment to set up an independent Regulatory Authority within a clearly defined timeframe. In case a country of the MEDREG area has more than one Regulator for the energy sector, their representatives shall jointly perform the membership. The voting procedures are based on the “one-country- one vote” principle.

6.2 Any Member which does no longer fulfil the condition listed under Article 6.1, loses its capacity of Member of the Association.

6.3 For the purpose of these Statutes, and in compliance with the functions assigned to Energy Regulatory Authorities in the meaning of EU legislation, Energy Regulatory Authorities are defined as public independent bodies being at least responsible for ensuring non-discrimination, effective competition and the efficient functioning of the market of electricity and/or gas and which is wholly independent from the interests of the electricity and/or gas industry and strive to be independent from political influence.

Article 7
Admission

7.1 New Members are admitted by decision of the GA, pursuant to Article 14 of these Statutes.

Article 8
Resignation

8.1 Any Member may resign from the Association, provided that it notifies thereof by a registered letter.

8.2 The resignation becomes effective after a six-month delay from the day of receipt of the resignation letter, in order to take into account the on-going tasks and responsibilities of the resigning Member, and to ensure the continuity of MEDREG activities.

Article 9
Exclusion

9.1 On the proposal of the President and in accordance with articles 6.2 and 14, the GA may decide to exclude any Member which does not comply with the Statutes of the Association, after hearing that Member's defence.

CHAPTER 3

-- ORGANISATION, ADMINISTRATION AND OPERATION OF THE ASSOCIATION --

Article 10
Bodies of the Association

10.1 Bodies of the Association are:

- the General Assembly;
- the President;
- the Presidency Board;
- the Steering Committee;
- the Secretariat.

Article 11
President and Presidency Board

11.1 The Presidency Board consists of the President and the Vice Presidents, and oversees the functioning of the Association.

11.2 The President manages the Association and represents it externally. He/She must work within the scope of and in accordance with the decisions taken by the GA.

11.3 The Vice Presidents shall support the President in his/her duties, according to the Internal Rules.

11.4 The President and the two Vice-Presidents are elected among the Members by the GA, on the terms settled in the Internal Rules. Only representatives of Energy Regulatory Authorities can candidate for Presidency or a Vice-Presidency.

11.5 In addition to the two elective Vice-Presidents a representative of the regulatory authority of the host country (Italian Regulatory Authority for Energy, Networks and the Environment – ARERA) serves as the Permanent Vice-President of MEDREG.

11.6 The President may delegate some activities, if necessary, to the Vice Presidents, without prejudice to the powers of the President and the GA as they are stipulated in the present Statutes.

11.7 The modalities of such delegation, including their detailed nature, delimitation and duration, are submitted to the GA for discussion and approval. The President keeps the faculty to propose to the GA to modify, suspend or withdraw the delegation at any moment.

11.8 In the event of resignation of the President or a Vice-President during his/ her term of office, a new President or Vice President shall be elected on the occasion of the next GA meeting.

11.9 If the President is absent for more than six months or delegates responsibility to a vice president for two consecutive GA meetings, the GA may call an election for another President.

Article 12
General Assembly

12.1 The GA consists of all Members.

12.2 All Members participate in the GA with their representatives. As a general rule, the participation is ensured through the physical presence at the meetings. In case of impediment or absence, each Member

has the exceptional possibility to delegate power to a GA Member attending the meeting. This exceptional possibility can be used only once every three GA meetings. Each Member can only accept one delegation per meeting.

12.3 In case a single MEDREG country has more than one Member Regulators for electricity and gas, these Members shall autonomously determine which regulator represents the country at the GA.

12.4 The GA meets at least twice a year to approve the Action Plan and the budget of the Association.

12.5 The GA will be convened by the President or at the request of at least half of its Members.

12.6 The GA is chaired by the President or by one of the Vice Presidents, on request of the President.

Article 13
Powers of the General Assembly

13.1 The GA has the power to:

- elect the President and Vice-Presidents of MEDREG;
- decide on the creation and termination of Working Groups (WGs) established for an unlimited period of time, and Task Forces (TFs) established on a temporary basis;
- elect the Chairpersons and Vice-Chairpersons of the WGs and TFs;
- approve MEDREG Action Plan;
- approve reports and studies issued by WGs and TFs, and by the Secretariat;
- take strategic decisions;
- admit and exclude Members;
- accept resignation by Members;
- approve the annual budget of the Association;
- determine, approve and modify the Statutes, Internal rules, and any other operative and organisational rules;
- define the structure, composition and location of the Secretariat;
- approve delegations of activities as foreseen by article 11.6;
- approve protocols and agreements with external bodies and organisations;
- wind-up MEDREG.

The powers detailed above are of exclusive competence of the GA.

Article 14
Decision-Making Process

14.1 All decisions to be taken by the GA shall be adopted, where possible, by consensus.

14.2 Members present or represented at the GA shall use their best efforts in order to reach consensus.

14.3 Where consensus is not reached, the GA shall act by two-third majority, according to the voting procedure defined in the Internal Rules. Abstentions do not count as votes. The voting procedure shall generally take place by a show of hands.

14.4 The GA may deliberate only if at least the majority of MEDREG countries is represented (half of the MEDREG countries plus one).

14.5 The GA may deliberate on amendments to these Statutes only if at least three-fourths of the Members are present or represented. These decisions require the vote of the majority of Members present or represented.

If three fourths of the Members are not present or represented at the first meeting, at least one month after the first meeting a second meeting may be convened which may validly deliberate, irrespectively of the number of Members present or represented.

The decision to amend Article 4.1 of these Statutes requires unanimity.

Article 15
Steering Committee

15.1 The Steering Committee (SC) coordinates and supervises the activities of the Association in accordance with the Action Plan and the decisions of the GA. The SC reviews the documents and proposals to be submitted to the GA for discussion, decision making and release to the stakeholders. The SC submits proposals and provides orientations to the GA but does not have decisional powers.

15.2 The Members of the SC are the President, the Vice-Presidents, the Chairperson of each Working Group and Task Force and the Secretariat.

15.3 The SC shall meet upon convocation of the President, physically or by call conference before each GA and whenever needed, in order to coordinate activities and discuss possible strategies or actions to be submitted to the GA.

Article 16
Secretariat

16.1 Under the supervision of the President and according to the GA guidelines, the Secretariat fulfils its tasks according to the MEDREG's Action Plan, Internal Rules and Working Guidelines of the President.

16.2 The Secretariat is responsible to the President for the operation of the Association and provides continuous support to the President, Vice-Presidents, Steering Committee, and all Members, including WG and TFs.

16.3 MEDREG's diversity should be represented within the Secretariat whenever possible.

16.4 The Secretariat is based in Milan.

CHAPTER 4

-- RESOURCES OF THE ASSOCIATION --

Article 17
Resources of the Association

17.1 The resources of the Association consist principally of:

- the annual Membership fee paid by all Members;
- Members in kind contributions for organising MEDREG activities;
- the financial support granted by the European Union;
- the income received from MEDREG assets;
- any grants that may be received by MEDREG;
- the sums received in return for any service supplied by MEDREG;
- any other resources allowed by law with, as required, the approval of the relevant authorities.

Article 18
Membership fees



18.1 Members annual Membership fee is paid according to the procedure set out in the Internal Rules.

18.2 The GA may grant derogations (partly or fully) from the obligation to pay fees by unanimous decision.

Article 19
Budget

19.1 The Association will function on the budget approved by the GA.

19.2. Once a year, the President shall present a proposal for the budget to the GA for approval.

19.3 Members shall share the expenses by means of contributions. The GA may set annually the minimum amount of the membership fee.

19.4 Members who do not comply with the provisions of article 19.3 within the financial year may have their voting rights suspended for a period of 6 months.

CHAPTER 5

-- SUNDRY PROVISIONS --

Article 20
Liquidation of Assets and Surplus

20.1 In case the GA decides to wind up and liquidate the Association, the GA shall decide upon the allocation of the surplus which would remain after the payment of the debts of the Association.

20.2 The allocation of the remaining assets will be made in accordance with the relevant legal provisions.

Article 21
Disputes - Clause Assigning Jurisdiction

21.1 For the execution of these Statutes and for all matters arising there from, jurisdiction will be assigned based on the domicile of the head office of the Association.



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21.2 In case of conflict between the Statutes and the Internal Rules, the Statutes prevail over the Internal rules.

TITLE III

Article 22

Transitional and Final Provisions

22.1 For all that is not provided in these Statutes, reference should be made to the related provisions of the Italian *Codice Civile* and the internal rules of procedure.

Each founder declares having received a copy of the present agreement for the formation of the association. One copy shall be kept in the Register of the association and other two shall be used for registration by the competent office.