**Articles of Incorporation**

**Energy Community**

**Template**

**Project Information**

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**Introductory Remarks**

The following template of Articles of Incorporation is only one of many possible variants for the design of the statute of an Energy Community. Energy communities can take **various legal forms**, including but not limited to:

* Cooperatives: These are organizations that are owned and democratically controlled by their members, who share in the benefits and risks of the enterprise;
* Limited Partnerships: These are hybrid entities that combine the liability protection of a corporation with the flexibility and tax benefits of a partnership. “A partnership may allow individuals to distribute responsibilities and generate profits by participating in community energy. Governance is usually based on the value of each partner’s share, meaning they do not always provide for a one member – one vote”[[1]](#footnote-1);
* Public-private partnerships (PPPs): These are agreements between public and private entities to undertake a project or provide a service jointly;
* Community Foundations and Trusts: “Their objective is to generate social value and local development rather than profits for individual members. Profits are used for the community as a whole, even when citizens do not have the means to invest in projects (for-the-public-good companies)”[[2]](#footnote-2);
* Housing Associations: “Non-profit associations that can offer benefits to tenants in social housing, although they may not be directly involved in decision-making. These forms are ideal for addressing energy poverty.”[[3]](#footnote-3)
* Public Utilities: “Run by municipalities, who invest in and manage the utility on behalf of taxpayers and citizens. These forms are less common, but are particularly suited for rural or isolated areas.”[[4]](#footnote-4)

The choice of legal form will depend on various factors, including the size and nature of the Energy Community, the goals and objectives of its members, and the regulatory framework in which it operates.

In this case, we provide a template of the statute for Energy Communities that opt for a **cooperative legal form**.

**Please note** that this template is intended to **provide guidance** and establish **the core articles** of your statute. It is imperative that you **tailor it** to align with the legal prerequisites of your country. Moreover, certain sections are left blank to enable you to input particulars specific to your Energy Community and the relevant national legal framework. Finally, you can add or remove provisions that contradict the chosen legal format or the national legal framework.

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| --- |
| **NOTE:**The information contained in these Articles is based on general legal principles. It is not to be construed as legal advice. We recommend that you **consult with legal counsel** before taking any action based on these principles to ensure the appropriate application of the applicable legal requirements of your country, assist you in preparing and establishing the legal foundation of your Energy Community in accordance with your choice of legal form and the relevant legal requirements in your State. |

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**ARTICLES OF INCORPORATION**

# TITLE I. LEGAL FORM – NAME – REGISTERED OFFICE – PURPOSES– VALUES

## ARTICLE 1. LEGAL FORM AND NAME

**1.1** The cooperative takes the form of a recognised cooperative society and is abbreviated as a recognised \_\_\_\_\_\_. It shall bear the name \_\_\_\_\_\_.

**1.2** The words ‘recognised cooperative society’ or the abbreviation ‘recognised CS’ must immediately precede or follow the name of the Cooperative in all documents and invoices, whether or not in electronic form from the Cooperative.

## ARTICLE 2. REGISTERED OFFICE

**2.1** The registered office of the Cooperative is located in the \_\_\_\_\_\_ (Region/Country).

**2.2** The Board of Directors shall have the power to transfer the registered office of the Cooperative within \_\_\_\_\_\_ in so far it does not alter the language regime of the Cooperative.

**2.3** Any transfer of the registered office shall be published in \_\_\_\_\_\_.

**2.4** The Cooperative may, by decision of the Board of Directors, establish additional administrative offices and branches in \_\_\_\_\_ or abroad.

## ARTICLE 3. OBJECTIVE

**3.1** The main objective of the Cooperative is to contribute, in the public interest, to the realisation of a carbon-neutral society and a just energy transition through:

1. the financing and realisation of sustainable energy projects based on renewable energy;
2. the promotion of rational energy use;
3. \_\_\_\_\_\_
4. \_\_\_\_\_\_

**3.2** The co-operative company also aims to meet the needs of its Members by

1. the supply of renewable energy;
2. uniting and informing its Members and citizens in general on issues that correspond to the purpose and subject-matter of the Cooperative;
3. \_\_\_\_\_\_
4. \_\_\_\_\_\_

## ARTICLE 4. CONSEQUENTIAL PURPOSES

**4.1** The consequential purposes of the Cooperative shall be to carry on any business for the benefit of the community, and specifically:

1. to develop, install, manage, operate, generate, distribute and supply energy from renewable energy resources;
2. to promote and invest in energy efficiency measures;
3. to reduce climate change emissions, alleviate energy poverty, improve energy security and help to foster sustainable development in and around the Community;
4. to raise awareness of environmental and related issues and support the educational initiatives related to renewable energy;
5. to encourage and support knowledge and skills development within the community in the field renewable energy and wider, generic competences such as community consensus-building, project development, etc.:
6. to enable the local community to share in the ownership of, and contribute to, renewable energy generation and energy efficiency initiatives;
7. to bring out and recognise the voices, needs and interests of women and people of all genders in the community energy sector;
8. to take all the appropriate measures, including specific policies, to modify or abolish existing regulations, customs, structures and practices which constitute discrimination against women and non-binary people;
9. to integrate a gender perspective in all their operation areas;
10. to achieve a gender-balanced and just membership;
11. to support and promote the social and solidarity economy;
12. \_\_\_\_\_\_
13. \_\_\_\_\_\_

**4.2** The Cooperative shall, in general, have full legal capacity to carry out all acts and operations which are directly or indirectly related to its objective and consequential purposes or which are of such a nature as to facilitate, directly or indirectly, the realisation of these objectives and purposes in whole or in part.

## ARTICLE 5. MEANS OF ACHIEVING THE OBJECTIVE AND PURPOSES

**5.1** The abovementioned purposes of the Cooperative are to be achieved through activities and financial resources referred to in paragraphs 5.2 and 5.3.

**5.2** The following activities serve as means for achieving the objective and purposes of the Cooperative:

1. information and discussion on climate and environmental issues, in particular with regard to the production of energy from renewable energy sources and energy efficiency;
2. information and advice on energy saving and energy efficiency;
3. information and discussion on democratic and gender inclusive nature of energy cooperataives;
4. engage in activities aimed at structural reforms, equal opportunitites, and positive measures to promote the position of persons of all genders, in particular in the governing bodies, and to create a mindset and a culture conducive to equality;
5. organisation of further education events and events of any kind, which promote the purposes of the Cooperative;
6. promoting and contacting people who have experience and expertise in energy, climate and environmental issues;
7. promoting a transnational mentoring programme for women and people of all genders, covering all types of training, and retraining, formal and non-formal, to enhance their social, organisational, technical and political skills;
8. \_\_\_\_\_\_\_\_

**5.3** The financial resources which shall be used for the purposes of the Cooperative are:

1. regular reserve and membership fees;
2. revenue from production, sale and storage of energy;
3. revenue from the provision of energy services;
4. revenue from research or contract services in the field of climate, nature and land protection;
5. donations from members and third parties;
6. sale of the Cooperative’s own publication;
7. \_\_\_\_\_\_

## ARTICLE 6. VALUES

**6.1** The Cooperative aims to achieve social, environmental, and economic added value for its Members and the community.

**6.2** The Cooperative subscribes to the internationally recognized principles of the International Cooperative Alliance (ICA) and is guided by these principles in its actions:

1. Voluntary and Open Membership: The Cooperative is open without discrimination to anyone who meets the entry conditions;
2. Democratic Member Control: The Cooperative is democratically governed by its cooperators- One cooperator - one vote;
3. Member’s Economic Participation: Members contribute equitably to the capital of the Cooperative;
4. Autonomy and Independence: The Cooperative is an autonomous, self-help organisation controlled by its Members;
5. Education, Training, and Information: The cooperative provides education and training for its Members and employees so they can contribute effectively to the development of the Cooperative;
6. Cooperation Among Cooperatives: The Cooperative aims for constructive cooperation with other cooperatives that subscribe to similar values and principles;
7. Concern for Community: The Cooperative work for the sustainable development of its community through policies accepted by its Members;

**6.3** The Cooperative aims to contribute to a just energy transition, promoting the meaningful participation of people of all genders on equal terms, as active actors and beneficiaries of the energy transition, which would result in an improvement in the quality of life for all.

**6.4** \_\_\_\_\_\_

## ARTICLE 7. DURATION

The life of this Cooperative shall commence on the date \_\_\_\_\_\_ and shall be perpetual unless changed by amendment to these Articles of Incorporation, or terminated by dissolution.

# TITLE II: MEMBERS – SHARES

## ARTICLE 8. FOUNDER MEMBERS

The first Members of the Cooperative shall be the Founder Members.

## ARTICLE 9. MEMBERSHIP

**9.1** Member’s status is limited to those natural persons (they have attained the age of 18) or legal entities (public or private) who:

1. Joined the Cooperative and subscribed to at least one share;
2. Support the purposes and values of the Cooperative;
3. Accepts the provisions in the Articles of Incorporation as well as those in the Internal Regulations;
4. \_\_\_\_\_\_
5. \_\_\_\_\_\_

**9.2** All those wishing to become a Member must complete a membership application which shall include an application of at least one share in the Cooperative. Such an application must be approved by the Board of Directors.

**9.3** A legal entity that is a Member shall by resolution of its governing body appoint a representative who may during the continuance of her/his appointment be entitled to exercise all such rights and powers as the legal entity would exercise if it were an individual person. Each such legal entity shall inform the Cooperative in writing of the choice of its representative.

**9.4** The Board of Directors may refuse the entry of Members if they do not meet the conditions of qualifications or if they perform acts contrary to the interests and values of the Cooperative. A refusal is always justified.

**9.5** The completion of a Member’s acceptance shall be completed by an entry in the share register in accordance with the relevant legal provisions.

## ARTICLE 10. TERMS OF MEMBERSHIP

**10.1** Each prospective Member shall accept the provisions in the Articles of Incorporation as well as those in the Internal Regulations. Furthermore, each potential Member shall accept all provisions contained in additional formal documents such as the Cooperative’s Private Policy or a Charter endorsed by the Cooperative.

**10.2** The procedure to be followed to accept or refuse an application is stipulated in the Internal Regulations. Under no circumstances shall the entry of a Member be refused for speculative reasons.

## ARTICLE 11. COMMENCEMENT

Member’s status and all associated benefits, rights, and obligations will take effect upon the deposit of the required share in accordance with these Articles of Incorporation.

## ARTICLE 12. NOTIFICATION TO THE GENERAL ASSEMBLY

The Board of Directors shall report to the ordinary General Meeting on the applications of accession and, if applicable, the decisions to refuse them received in the period since the previous meeting. In the event of refusal, the Board of Directors shall also explain its reasons in the report.

## ARTICLE 13. TERMINATION OF MEMBERSHIP

**13.1** With due observance of the provisions of Article 9, the Membership shall be terminated:

1. if a Member is:
2. a legal entity: when that legal entity ceases to exist;
3. an individual, upon the death of that individual;
4. \_\_\_\_\_\_
5. upon notice of termination being given by the Member in accordance with Article 14;
6. upon notice of termination being given by the Cooperative to the Member. Such notice of termination may be given:
7. if a Member no longer meets the requirements stipulated for the Membership by the relevant Articles; or
8. if a Member no longer fulfills its obligations towards the Cooperative;
9. if a Member acts contrary to these Articles, bylaws, or resolutions of the Cooperative;
10. if a Member engages in discriminatory behaviors towards others, including but not limited to sexism, racism, and homophobia;
11. \_\_\_\_\_\_

**13.2** Notice of termination on behalf of the Cooperative shall be submitted by the Board of Directors and wth the approval of the General Assembly.

**13.3** Notice of termination of the Membership by the Member or by the Cooperative will be effective as of the end of a financial year and with due observance of a notice period of four weeks.

**13.4** A Member may terminate its Membership with immediate effect within one month after a resolution by which its rights are limited or its obligations are increased comes to its knowledge; the resolution shall not apply to that Member.

**13.5** A Member may also terminate its Membership with immediate effect within one month after being informed of a resolution to convert the Cooperative into a different legal form or a merger or demerger resolution or if the Cooperative decides to pursue purposes contrary to the Articles of Incorporation.

**13.6** In the event of a resolution on termination of the Membership by the Cooperative on the grounds that a Member has failed to fulfill its obligations towards the Cooperative and in the event of a resolution to remove a Member, the Member in question may file an appeal with the General Assembly within one month of being notified of such resolution. To that end the Member shall be informed of the resolution in writing as soon as possible, stating the reasons. During the period of appeal and pending the appeal, the Member shall be suspended, on the understanding, however, that the suspended Member shall have access to the General Assembly at which the resolution to suspend the Member shall be discussed and may address that meeting.

**13.7** If a Membership ends in the course of a financial year, the annual contribution for that financial year (if any) will nevertheless be due in full.

**13.8** Upon termination of a Membership, payment shall be made to such Member in an amount equal to the amount that the relevant Member would receive pursuant to Article 38 if the Cooperative would be dissolved and liquidated at the time of termination.

## ARTICLE 14. WITHDRAWAL OR REVOCATION OF SHARES

**14.1** Members may have the right to withdraw all or part of their shares.

**14.2** A Member wishing to withdraw or request a partial share repayment shall exercise its right to withdraw in writing by letter or by e-mail or by any other means available for that purpose. The shares shall be repaid in accordance with Article 20.

**14.3** Withdrawal or partial withdrawal shall not be rejected, provided, however, that:

1. such withdrawal is permitted from the third financial year following the purchase of the share;
2. the revocation shall take effect only after the General Assembly has approved the annual accounts for the financial year in respect of which the revocation is requested;
3. \_\_\_\_\_\_
4. \_\_\_\_\_\_

**14.4** The Board of Directors shall report to the ordinary General Meeting on requests for withdrawal during the previous financial year. The report shall include at least the number of requests, the return and any other details, the number of requests rejected, and the reason for rejection. The Board of Directors shall ensure that the register is kept up to date.

## ARTICLE 15. OBLIGATIONS OF THE MEMBERS

**15.1** By unanimous resolution of the General Assembly adopted at the proposal of the Board of Directors, obligations may be imposed on the Members to pay an annual contribution.

**15.2** Any Capital Contribution by a Member, other than those referred to in Article 9.2 may only be made with the prior unanimous approval of all Members.

**15.3** The Members shall promote the interests of the Cooperative to the best of their efforts and refrain from performing any action that could cause the Cooperative’s reputation and purpose to suffer demolition.

## ARTICLE 16. MEMBERS’ REGISTER

**16.1** The Board of Directors shall keep a register in which the names, addresses, and e-mail addresses of all the Members shall be recorded.

**16.2** Each Member shall notify the Cooperative of its address details in writing.

**16.3** The register of Members shall also include the date on which they acquired the shares, the number of shares, the amount paid up on each share, and the date of insertion to the Cooperative.

**16.4** The register of Members shall be regularly updated in accordance with \_\_\_\_\_ law.

## ARTICLE 17. LIABILITY OF THE MEMBERS

**17.1** Any liability of Members or former Members to contribute to any deficits arising from the liquidation of the Cooperative shall be excluded.

**17.2** \_\_\_\_\_\_

## ARTICLE 18. SHARES

**18.1** The capital of the Cooperative shall consist of shares, each having a nominal value of \_\_\_\_\_\_ (€\_\_\_\_\_).

**18.2** The shares shall be registered and shall be numbered consecutively, starting at 1.

**18.3** If shares or the right to Shares are jointly held, the joint shareholders may only be represented by a single person holding a written proxy signed by them all.

**18.4** Members shall have equal voting rights, regardless of the number of shares they hold. One Member, one vote.

**18.5** The transfer of shares and the attached Membership shall only be valid with prior approval of the Cooperative.

## ARTICLE 19. ISSUANCE OF SHARES

**19.1** Upon proposal of the Board of Directors, the shares shall be issued in accordance with a resolution adopted by the General Assembly. The resolution shall determine the number of shares, the price, and the other terms and conditions of the issue.

**19.2** The nominal value of each share must be paid up upon subscription by the Member.

**19.3 \_\_\_\_\_\_**

## ARTICLE 20. REPAYMENT OF SHARES

**20.1** The outgoing, excluded, or withdrawing Member shall be entitled to receive its total contribution rate back.

**20.2** This shall be equal to the amount of the shares and the contribution paid in respect of such shares, but not exceeding the amount of the net asset value of the shares as shown in the approved financial statements for the year in which the withdrawal is requested.

**20.3** The outgoing, excluded, or withdrawing Member may not exercise any other rights against the Cooperative.

**20.4** The payment shall be made within two months of the approval of the annual accounts for the financial year in which the withdrawal request was submitted, provided that the withdrawing Member has fulfilled all its contractual obligations towards the Cooperative.

**20.5** \_\_\_\_\_\_

# TITLE III. ADMINISTRATIVE BODIES

## ARTICLE 21. GENERAL ASSEMBLY

**21.1** The General Assembly represents all the Members. Its decisions are binding on all, including those who are absent or voting against it.

**21.2** The General Assembly holds the sovereign power of the Cooperative. The following are reserved to its jurisdiction:

1. amendments to the Articles of Incorporation;
2. the Membership fee;
3. the appointment and removal of the Members of the Board of Directors;
4. approval of board resolutions, budgets, and financial statements;
5. the dissolution of the Cooperative;
6. the exclusion of Members;
7. the adoption of internal rules;
8. all decisions exceeding the legal and statutory powers reserved to the Board of Directors.

**21.3** Annually, not later than within six (6) months after the end of the financial year, unless that period is extended, the General Assembly shall be held. The following shall be discussed at the Annual Meeting, inter alia:

1. acceptance and approval of the account reports and statements with the involvement of auditors;
2. approval of legal transactions between auditors and the Cooperative;
3. the appointment of an auditor or the finance committee for the following financial year;
4. the filling of any vacancies;
5. proposals of the Board of Directors or the Members, announced in the notices convening the Meeting;
6. \_\_\_\_\_\_
7. \_\_\_\_\_\_

**21.4** Other General Meetings shall be convened as often as the Board of Directors deems necessary or it is required to do so by law or by these Articles.

**21.5** At the written request of at least one-third of the Members, the Board of Directors shall be obliged to convene a General Assembly to be held within a period of not more than four weeks from the submission of the request.

**21.6** The General Assembly is convened by the Board of Directors by electronic means (e-mail) or by ordinary letter addressed to each Member at least two (2) weeks before the meeting and signed by the President or the Secretary, on behalf of the Board of Directors. The agenda is mentioned in the notices. Each meeting shall be held at such time and place specified in the notice.

**21.7** \_\_\_\_\_\_

## ARTICLE 22. ACCESS TO THE GENERAL ASSEMBLY

**22.1** All Members and all Members of the Board of Directors who are not Members of the Cooperative shall have access to the General Assembly. The suspended Members shall not have access to the General Meetings.

**22.2** A Member shall meet the following requirements to be admitted to the General Assembly and to exercise the right to vote:

1. hold at least one registered share, or be the legal representative of a legal entity;
2. is not in a state of suspension of the rights attached to the cooperative shares. However, if only the voting rights are suspended, the Member may participate in the General Assembly, but may not participate in voting.
3. \_\_\_\_\_\_

**22.3** The Members may participate remotely in the General Assembly through an electronic means of communication provided by the Board of Directors. The relevant details shall be published by the Board of Directors in the invitation.

## ARTICLE 23. VOTING PROCEDURE AND DECISIONS

**23.1** All Members have equal voting rights, each having one vote regardless of the number of shares held by them.

**23.2** The General Assembly shall be valid regardless of the number of Members present or represented.

**23.3** Decisions are taken by a simple majority of votes of the Members present or represented. In case of equality of votes, the president’s vote shall be determined.

**23.4** At the request of at least one-third of its Members and in case of appointment, revocation or suspension, the General Assembly votes by secret ballot.

**23.5** The decisions of the General Assembly to amend the Articles of Incorporation or the Internal Regulation regarding the dissolution of the Cooperative shall be taken by two-thirds of the Members present or represented.

**23.6** The General Assembly shall only validly deliberate and decide on the agenda items listed in the invitation.

**23.7** The General Assembly shall be chaired by the President of the Board of Directors.

## ARTICLE 24. MINUTES

**24.1** The minutes of the General Assembly shall be signed by the chairman of the Board of Directors and the Secretary.

**24.2** The resolutions of the General Assembly are recorded in the minutes and registered in the special register kept at the headquarters.

## ARTICLE 25. BOARD OF DIRECTORS

**25.1** The Board of Directors has the authority and the responsibility of the administration, management, and representation of the Cooperative. It exercises all the powers that the law and the Articles of Incorporation do not reserve to the General Assembly.

**25.2** The Board of Directors may do any administrative or monetary acts.

**25.3** The Cooperative is administered by the Board of Directors elected by the General Assembly, composed of at least \_\_\_\_ Members and not more than \_\_\_\_, whether or not Members of the Cooperative, natural or legal persons (public or private).

**25.4** The principle of gender equality shall be reflected in the composition of the Board of Directors.

**25.5** The Members of the Board are appointed by the General Assembly for a term of \_\_\_ years.

**25.6** The Members of the Board may be re-elected. The mandate of the outgoing directors, not re-elected, ceases immediately after the General Assembly proceeded to re-election.
**25.7** Legal action, whether as plaintiff or defendant, shall be instituted or supported on behalf of the cooperative, by the Board of Directors, represented by the President and the Secretary, or by two Members of the Board. The Cooperative shall be validly represented in all acts, including those that involve a civil servant or an authority, by the President and the Secretary or by two Members of the Board.

## ARTICLE 26. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors shall be responsible for the management of the Cooperative. Its scope includes, inter alia, the following matters:

1. preparation and convening of the General Assembly;
2. inform the Members of the Cooperative about the activities of the Cooperative and the conciliations;
3. management of the Cooperative’s assets;
4. acceptance and termination of employees of the Cooperative as well as the conclusion of work contracts;
5. preparation of the annual reports;
6. establishment of an accounting system in accordance with the requirements of the Cooperative, with an ongoing record of revenue/expenditure and keeping a list of assets as a minimum requirement;
7. notification to the competent tax office of changes which has an influence on the tax credits within a period of \_\_\_ month;
8. determination of the Membership fees and all other fees of the Cooperative, subject to the approval of the General Assembly;
9. keeping records of the financial condition of the Cooperative and of all other matters related to the activities of the Cooperative, in accordance with the requirements arising from those activities, and to keep the related books, records and other date in such way, that the rights and obligatiosn of the Cooperative are all times apparent therefrom;
10. \_\_\_\_\_\_

## ARTICLE 27. INTERNAL STRUCTURE AND PROCEDURES OF THE BOARD

**27.1** The Board of Directors elects from among its members a President, a Vice-president, a Secretary, and a Treasurer. In the absence of the President, the Vice-president shall perform his duties.

**27.2** The Board of Directors meets at the registered office or at any other places specified in the convocation letter at least once a quarter or at the call of the President or the Secretary, whenever at least two Members of the Board request so.

**27.3** The summons shall contain the agenda, the date, and the time of the meeting. They shall be written in the form of regular mail or electronically and they shall be sent at least \_\_\_\_ days before the date of the meeting.

**27.4** A Member of the Board may delegate its powers by proxy to another Member of the Board for its representation. However, a Member of the Board may not represent more than one of its colleagues.

**27.5** The Board of Directors may confer certain special powers to one or more agents for a limited period of time.

## ARTICLE 28. RESOLUTIONS OF THE BOARD OF DIRECTORS

**28.1** The Board of Directors shall deliberate validly if at least half of its members are present or represented and only on the items on the agenda.

**28.2** The resolutions are taken by an absolute majority of votes. In case of a tie, the vote of the President is decisive. The vote shall be secret if the Board of Directors decides so and if it is directly related to matters with \_\_\_\_.

**28.3** In principle, the Board of Directors shall take its resolutions in writing.

**28.4** If a resolution concerns a Member of the Board, its parent, relative, or ally up to the fourth degree, the relevant Member does not take part in the deliberations and cannot delegate its power of attorney.

**28.5** The deliberations of the Board of Directors are recorded in minutes signed by the President and Secretary. The minutes shall list or linked in a special register. The copies or extracts produced in court or elsewhere shall be signed by the President and Secretary.

**28.6** Part or all of the Members of the Board may participate in the meeting by telephone, videoconference, or any similar means of telecommunications. The Members participating in the meeting by such technical means shall be considered as present in person at this meeting.

## ARTICLE 29. REMUNERATION OF BOARD OF DIRECTORS

In principle, the Members of the Board are not remunerated for services they provide unless the General Assembly decides otherwise.

## ARTICLE 30. DISMISSAL OF BOARD MEMBERS

**30.1** The General Assembly may remove a Member of the Board anytime by a simple majority of all valid votes.

**30.2** The Members of the Board may unilaterally terminate their mandate.

**30.3** \_\_\_\_\_\_

## ARTICLE 31. SUPERVISORY BOARD

**31.1** The General Assembly may appoint a Supervisory Board consisting of up to \_\_\_\_ Members.

**31.2** The principle of gender equality shall be reflected in the composition of the Supervisory Board.

**31.3** The mandate of the Supervisory Board shall be \_\_\_ years.

**31.4** The Members of the Supervisory Board are elected by the General Assembly and they may be re-elected for \_\_\_\_ consecutive terms.

**31.5** In principle, the Members of the Supervisory Board are not remunerated for services they provide, unless the General Assembly decides otherwise.

**31.6** The Members of the Supervisory Board may be removed at any time by the General Assembly.

**31.7** The Supervisory Board shall be responsible for monitoring the actions of the Board of Directors and shall report to the General Assembly.

**31.8 \_\_\_\_\_\_**

# TITLE IV. FINANCIAL YEAR, ANNUAL ACCOUNTS, AND BUDGET

## ARTICLE 32. FINANCIAL YEAR

The financial year begins on \_\_\_\_\_ and ends on \_\_\_\_\_.

## ARTICLE 33. AUDITS AND AUDITOR

**33.1** The audit of the Cooperative, the financial situation, the annual accounts, and the regularity of the transactions presented in the annual accounts shall be carried out in accordance with the relevant legal provisions.

**33.2** The General Assembly shall appoint an Auditor from \_\_\_\_\_\_.

**33.3 \_\_\_\_\_\_**

## ARTICLE 34. ANNUAL REPORTS

**34.1** The Board of Directors shall submit to the General Assembly the annual report of the past financial year.

**34.2** No later than \_\_\_\_\_ days before the General Assembly, the annual accounts, consisting of the balance sheet, the income statement, and the explanatory notes, including the various reports of the Board of Directors and the Supervisory Board, shall be made available for inspection to the Members of the Cooperative.

## ARTICLE 35. REGULAR RESERVE

From the surplus of the Cooperative a \_\_\_\_ % may be retained for the formation of the regular reserve.

## ARTICLE 36. DISTRIBUTION OF PROFITS

**36.1** On the proposal of the Board of Directors, the General Assembly may decide on the allocation of the balance of the net profit, subject to the following:

1. no distribution of dividends shall be made if the net assets of the Cooperative are negative or will become as a result of the distribution or if the Cooperative is unable to meet its financial obligations to third parties in the following year;
2. only up and to the extent of the positive balance of the Profit Reserve;
3. provided that distributions shall at all times be made to the Members pro rata to the balance of their respective contribution unless unanimously decided otherwise by the General Assembly;
4. \_\_\_\_\_\_\_\_

**36.2** Before distributing profits, the community will prioritize other social and ecological objectives, such as addressing energy poverty or reinvesting in the local community, that may receive primary support**.**

**36.3** Part of the annual revenue may be reserved for the education and training of the Members, both current and potential, or the general public.

# TITLE V. DISSOLUTION AND LIQUIDATION

## ARTICLE 37. LIQUIDATION

**37.1** In the event of dissolution for any reason and at any time, the liquidation shall be carried out under the responsibility of the Board of Directors, unless the General Assembly decides to entrust the liquidation to one or more liquidators, in accordance with the relevant legal provisions.

**37.2** Where appropriate, the General Assembly shall determine the remuneration of the liquidator or liquidators.

## ARTICLE 38. FINAL STATEMENT

**38.1** After the payment of debts and expenses of the Cooperative, the shares shall be paid to the Members at the highest at the issue price or the amount paid to the Cooperative.

**38.2** The amount remaining after the repayment of liabilities and the repayment of the Members for their shares will be used for a purpose as close as possible to the societal and/or environmental objectives of the Cooperative.

# TITLE VI. GENERAL PROVISIONS

## ARTICLE 39. INTERNAL REGULATION

**39.1** The internal regulation of the Cooperative shall be adopted by the General Assembly on the proposal of the Board of Directors.

**39.2** The internal regulation shall not be contrary to the law or these Articles of Incorporation.

## ARTICLE 40. APPLICABLE LAW

For everything that is not expressly provided for in these Articles of Incorporation, the applicable relevant legal provisions shall apply.

1. European Commission, (May, 2023). Energy Communities-Organisational form and legal structure, Retrieved from <https://rural-energy-community-hub.ec.europa.eu/energy-communities/organisational-form-and-legal-structure_en> [↑](#footnote-ref-1)
2. *Ibid.* [↑](#footnote-ref-2)
3. *Ibid.* [↑](#footnote-ref-3)
4. *Ibid.* [↑](#footnote-ref-4)