EFET
(European Federation of Energy Traders) –
Legal Committee

Mission Statement
&
Working Procedures

22nd March 2005

Adopted Version

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Mission Statement

The EFET Legal Committee (the "Committee") is comprised of a group of internal counsel, each representing an EFET Member Company, established in keeping with the Mission of EFET itself, in order to provide a forum for EFET Members to address legal issues relating to energy trading within Europe in order to improve the conditions for such trading.

In order to carry out this mission the Committee and its Member Company representatives may, when they so desire, undertake and participate in any and all of the following activities:

1) Development and periodic updating of all EFET standard documentation;

2) Co-ordination and monitoring of the preparation of legal opinions from outside counsel in relation to EFET standard documentation or regarding any legal question that may be of interest to EFET and its Members;

3) Advocating the interests of their respective Member Companies in support of any EFET Working Group, any other EFET Committee or the EFET Board when so requested .

4) Monitoring current developments in the energy industry with a potential impact on EFET standard documentation and bringing them to the attention of the Committee.

5) Meeting periodically to exchange knowledge and experiences regarding legal issues relating to the energy trading business.

Working Procedures

1) Membership

EFET Member Companies may acquire membership in the Committee (each a "Committee Member") through the payment of an additional annual fee (the "Committee Fee").

All Committee Members are entitled to participate in and contribute to all discussions and decisions of the Committee, in accordance with the Mission Statement and, when choosing to so participate, shall endeavour to do so in a constructive manner.

All Committee Members will have access to all then current legal opinions prepared for EFET relating to EFET standard documentation with no additional charge.

All Committee Members will have the right to participate in all activities of the Committee and will have access to all sub-working groups of the Committee, as the case may be, which are established for conducting the activities of the Committee.

Participation in Committee activities by any EFET Member that is not a Committee Member is subject to invitation by the Committee Chairman and/or Secretary.

Committee Members may terminate their membership by at least two months prior written notice to the EFET General Secretary, such termination to be effective on the next December 31 following the expiration of such notice period.

2) Fees

All Committee Members are required to pay, when invoiced, the Committee Fee upon acquiring their membership and for each succeeding year for which their membership has not been terminated.

The Committee will suggest a Committee Fee for each year to the Board for the immediately following year. The Committee Fee will be set by the EFET Board .
The Committee Fee for the year 2004 is EUR 17,000, for the year 2005 it is EUR 17.000.

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3) Budget of Legal Committee

The Committee Fee will become the property of EFET and is, together with any revenue from sales of legal opinions or other financial resources allocated by the EFET Board (together the "Legal Committee Budget"), designated to be spent exclusively for external costs incurred through the preparation of legal opinions or draft documentation commissioned by EFET in respect to EFET standard documentation and direct related costs; as well as any additional costs incurred on request of the Legal Committee. All spending proposed to be financed out of the Legal Committee Budget will require the approval of the Committee.

4) Chairman and Board representation

The Chairman of the Legal Committee will be the EFET Board Member responsible for Standardisation. The Chairman is assisted by a Committee Secretary, a Committee Treasurer and, if elected, a Committee Deputy Chairman

The Committee Treasurer will be the EFET General Secretary unless otherwise proposed by the Committee, and approved by the EFET Board.

Additional cost of independent legal mentorship at Committee meetings and/or the Committee Secretary may be provided by non-members. Costs for such assistance are carried by the EFET general budget. The Committee Secretary, under the guidance of the Committee Chairman and Committee Treasurer, is responsible for organising and conducting the meetings of the Committee.

A Committee Deputy Chairman may also be appointed by the Committee. The Committee Deputy Chairman should be elected by the Committee from among the members. The tenure of the Deputy Chairman’s office may not exceed one year. Re-election is permissible.

5) Meetings and voting procedures

Regular meetings of the Committee will be held at least three times a year.

Ad-hoc meetings may be called by the Committee Chairman or by a qualified number of not less than six Committee Members.

The invitation to a meeting and the related agenda will be provided by the Committee Secretariat to all Committee Members in a timely manner, and in any event no less than three weeks prior to a regular meeting, and no less than five business days prior to an ad-hoc meeting. For the purposes of proper receipt of the invitation and agenda, each Committee Member will provide and update, if applicable, the Committee Secretariat with the details of the individual within their organisation designated as primary contact in relation to the Committee as well as the alternate for the designated individual. The designated primary contact and the alternate will then receive all relevant documents for the meeting.

The presence, whether in person or via telephone, of a majority of the current Committee Members will be necessary for a quorum at any meeting of the Committee. Without a formal meeting, a Committee decision shall only be deemed made if (i) there was a consensus in the last meeting to decide by e-mail-voting later, all Committee Members have been invited to vote by e-mail by the Committee

Secretariat and a granted voting period of at least ten (10) business days, or (ii) absent a prior agreement to implement voting via email, all Committee Members return an email vote on the issue raised for vote. The Committee can deviate from given timelines in case that there is consensus.

All decisions of the Committee should be taken based upon a consensus of the Committee Members present. In case consensus can not be reached a voting procedure may be employed. This will require the qualified majority of more than half of the votes of those Committee Members present at a meeting, or more than half of the votes returned via email, as applicable, based on the principle of one vote per Committee Member.

6. Miscellaneous

Member Company representatives to the Legal Committee shall at all times be advocating only the interests of their respective Member Companies, in the effort to build industry and Member Company consensus on legal issues and subjects which may then be acted upon by EFET in a manner consistent with these Working Procedures and the Committee's Mission Statement. When working within the Committee, such representatives may, when they so desire, assist or otherwise participate with the drafting, review, consideration and development of documents and positions on issues, but shall at all such times be doing so only on behalf of their respective Member Companies. At no time shall any Member Company representative on the Committee be deemed to be advising, counselling or otherwise providing any service of a legal nature to EFET, the Committee, or any other committee or working group of EFET.

Consequently, the Member Companies and their respective representatives involved in Committee activities shall not be liable or otherwise responsible to EFET or any other Member Company for the use of any advice and/or opinions advanced by them on behalf of their Member Companies.