

**NEELS, NETWORK OF EUROPEAN ELECTED REPRESENTATIVES
FOR LOCAL SERVICES OF GENERAL INTEREST A.S.B.L.**

STATUTES OF THE ASSOCIATION

**“NETWORK OF EUROPEAN ELECTED REPRESENTATIVES FOR
LOCAL SERVICES OF GENERAL INTEREST ASBL”**

(N.E.E.L.S.)

AS APPROVED BY

THE CONSTITUTIVE GENERAL ASSEMBLY OF NEELS

**ON MONDAY THE 21ST OF FEBRUARY 2005
IN BRUSSELS**

Preamble

The services of general interest, especially on the local level, constitute one of the essential components of the European model, as they contribute actively to the economic, territorial and social cohesion of the Union.

There are 16,000 local public enterprises (LPE) in the European Union, but no common forum for the elected representatives of the towns in which they operate, to discuss the European issues which concern them and compare their practices in the fields of management, strategy, and relations with their environment.

In fact local elected representatives form part of European associations of local authorities, which have neither the vocation nor the means to follow or carry this LPE file.

CEEP takes care of European lobbying for local public enterprises, but the leaders of enterprises and national LPE federations which drive these actions are not, for the most part, elected representatives, and these activities which are essentially oriented towards the Community institutions do not allow the towns to dispose of a common space for discussion.

Yet the impact of Community policies on local management is increasing, and it is essential that local elected representatives be able to exchange experiences and ideas on the consequences for their enterprises, territories and citizens.

Moreover, the best possible promotion and defence of local services of general interest on Community level would have everything to gain from drawing more on the democratic legitimacy of local elected representatives and of their knowledge of local public services. This is particularly justified to the extent that the European Commission presented in spring 2004:

- a White Paper on the SGI with a plan of action for the next few years
- a Green Paper on Public-Private Partnerships and Concessions, which poses the question of a European Community legal framework.

It is on the basis of this statement that in 2001 the Federation of Sem initiated European meetings between local elected representatives involved in local public enterprises. This network, supported by CEEP's Local Enterprises Committee, has met eight times in Brussels or another European city.

The stakes, both European and local, make it essential to move to a higher gear through the structuring and expansion of this network.

Wherever they are located and whatever their standard of living, the citizens of the European Union are indeed entitled to expect local authorities to ensure that they are provided with services of general interest which are effective, affordable and of good quality.

16,000 local public enterprises, located throughout the Member States, with 1.2 million employees and an annual turnover of 140 thousand million Euros, form one of the most widespread vehicles for the provision of local services of general interest. This system of management allows a combination of efficiency, sound business practices, control by local authorities and transparency vis-à-vis the citizens.

Established in the territory of their sole or principal shareholder in the form of the local authority, local public enterprises have a common objective : to create, manage and develop facilities and services for access by everyone, with the strong determination to work in favour of sustainable development and territorial cohesion.

Wishing to exchange experiences with regard to local public enterprises, local elected representatives of several Member States have for several years been holding regular meetings in their different communes.

By adopting the present statutes, they demonstrate their determination to pursue, develop and structure the network which has been gradually built up, so as to strengthen through their exchanges the contribution of local public enterprises to the development of their territories, and at the same time to give real meaning to the principle of free administration of local authorities.

European organizations, as CEMR and Eurocities, are the principal actors promoting the perspective and defending the interest of cities, local and regional authorities, which are affiliated to these organizations either directly or indirectly through national associations. They have on the other hand a very large range of issues to deal with. The provision of services of general interest through local public enterprises and the increasing constraints of EU policies on the conditions under which they can accomplish their missions, is only one topic among many other important ones.

The creation of an association under Belgian law aims to consolidate the existing network of local elected representatives, whose main goal is the preservation and development of the necessary tools, such as local public enterprises, to secure the optimal provision of services of general interest by local and regional authorities. The activities of NEELS are intended to be complementary to the work of existing organizations, such as CEMR and Eurocities, and to contribute to a reinforcement of the impact of their work in that field. NEELS is not and should not be seen as an alternative to these organizations, but should be seen as their partner.

I

Form, designation, registered office, term, goals

Article 1

A non-profit association is created, governed by the Belgian law of 27 June 1921 on non-profit associations, international non-profit associations, and foundations.

Article 2

The designation of the association is « Network of European Elected representatives for Local Services of general interest ASBL» (N.E.E.L.S.)

Article 3

The registered office of the association is established in a commune within the city of Brussels. It is currently located at CEEP, 15 rue de la Charité, 1210 Brussels, in the judicial administrative division of Brussels.

It can be transferred to any other location within the city of Brussels by a simple decision of the board of directors published during the month of the transfer in the Appendices of the Belgian Monitor.

Article 4

The association is created for an unlimited period. It can be dissolved at any time in accordance with the provisions of article 28.

Article 5

The association has five goals:

- To bring together in one network elected representatives responsible for local and regional SGI in order to promote between them discussion, exchanges of experience and benchmarking of economic and social performance
- To cooperate in particular with the Local Public Enterprises Committee of the CEEP in order to promote Local Public Enterprises in the European Union
- To analyze, clarify and promote the common interests of local services of general interest at European level in close cooperation with associations of elected representatives on national and European Union level
- To promote and develop local public enterprises as tools which are particularly suited to satisfy the needs of citizens

- To provide members and possibly third parties with services in the area of European information, lobbying, and event organisation.

II

Members and categories of members

Article 6

The association is composed of two categories of full members:

- Category 1 : local elected representatives of local and regional authorities which are shareholders in local public enterprises and non-executive members of the board of local public enterprises who are appointed by local and regional authorities
- Category 2 : any natural person or legal entity promoting local public enterprises and who / which has been approved by the board of directors of the association.

Full members must have their seat or permanent residence in a Member State of the European Union or one of the EFTA States.

In addition to these two categories of members there are two full members by right, namely the Secretary-General of CEEP and the Chairperson of CEEP's Local Enterprises Committee.

The minimum number of full members is set at 7.

Representatives of local public enterprises from countries outside the European Union may participate in the work of the association in quality of observer without voting right.

Article 7

The legal entities which are full members as such or represented by individual full members shall be constituted in accordance with the laws and practices of their country of origin.

Article 8

The acquisition of any membership status is subject to approval of the present statutes and to payment of the annual subscription.

Membership, resignation and exclusion of members take place under the following forms and conditions:

- membership :
 - o full membership within category 1 is acquired by written declaration to the Chairperson as soon as the latter has received it.
 - o any request for membership within category 2 or for supporting membership is submitted for approval by the board of directors, which decides by majority.

- resignation : members present their resignation by registered letter addressed to the Chairperson. Members who resign must pay their subscription up to the end of the year beginning before the presentation of their resignation.
- exclusion : the exclusion of a member is an exclusive competence of the general assembly and requires a majority of at least two third of its votes.

III

Subscriptions and budget

Article 9

On the basis of proposals from the board of directors, the general assembly establishes each year the levels of subscription applicable respectively to membership of the association as a legal entity or as an individual.

The maximum level of subscription per year per membership cannot exceed 20 000 Euro.

Article 10

The accounting period closes on 31 December of each year.

The board of directors shall submit for the approval of the general meeting:

- before 31 May, the accounts of the year under review
- and before 31 January, the draft budget for the new accounting year, together with the scale of subscriptions.

IV

General Assembly

Article 11

The managing organs of the association are:

- the general assembly
- the board of directors

Article 12

The general assembly is composed of all full members of the association, each having one vote.

Article 13

The general assembly has full powers to enable it to fulfill the goals of the association.

It is in particular exclusively responsible for:

- the approval of the report of the board of directors
- the approval of accounts
- the discharge to be granted to the members of the board of directors and the auditors
- the appointment and the dismissal of the Chairperson of the association who is by right Chairperson of the board of directors
- the appointment and dismissal of the other members of the board of directors
- the appointment and dismissal of the auditors and the determination of their fees in the cases such fees are paid
- the approval of the budget and subscription levels
- the approval of by-laws defining the conditions under which the association functions
- the exclusion of a member
- the modification of the statutes
- the transformation of the non-profit association in a “social aim association”
- the dissolution of the association and in this event the disposal of its assets

Article 14

The general assembly is held by right at least once a year, under the Chairpersonship of the Chairperson or failing him/her, by one of the Vice-chairpersons, at the registered office or at the address indicated on the notification.

The general assembly is called by the Chairperson, by mail, fax or e-mail.

It can also be called at the request of at least one fifth of the members of the board of directors, or by one third of the members of the association.

The notification is sent out at least fifteen days before the general assembly. It consists of an agenda and an indication of the date, time and place of the assembly.

Article 15

The general assembly may only deliberate validly if one third of its members are present or represented.

If these conditions are not fulfilled, a new general assembly can take place with the same agenda. This new assembly will deliberate validly irrespective of the number of members present or represented.

Any member of the general assembly may arrange to be represented by another member holding his proxy, under the condition that a single member may not receive more than four proxies.

Article 16

Any proposal signed by a number of members equal to at least one twentieth is put on the agenda.

No decision can be made on a subject which is not listed on the agenda.

Except in the special cases provided for by the present statutes, the decisions of the general assembly are adopted by a majority of its members present or represented, and are communicated to all members.

The minutes of the general assembly are recorded in a register signed by the Chairperson and kept at the registered office which will hold them at the disposal of the members. By virtue of article 9 of the Royal order of 26 June 2003, the full members can exercise their right of consultation.

V

The board of directors

Article 17

The association is administered by a board of directors of at least six members from the two categories mentioned in article 6.

Only natural persons being full members or representing full members of the association can become members of the board.

At least two thirds of the members of the board shall be members of category 1.

No more than one third of the members of the board can come from the same Member State.

The Secretary-General of CEEP and the Chairperson of CEEP's Local Enterprises Committee are members by right of the board.

The mandate of the members of the board is for a term of two years, and this mandate is renewable.

The members of the board can be dismissed by the general assembly based on a decision with a majority of three quarters.

The list of members of the board is published in the Appendices of the Belgian Monitor.

In case the position of the Chairperson falls vacant during the term, the board is entitled to appoint among its members of category 1 an interim Chairperson until the general assembly can elect a new regular Chairperson, which should take place as soon as possible, yet at the latest within three months from the time the position of the Chairperson falls vacant.

Article 18

The board meetings are chaired by the Chairperson.

In his absence, board meetings are chaired by a Vice-chairperson.

Article 19

The board of directors meets at least twice a year at the request of the Chairperson at the address indicated on the notification.

The board also meets if half of its members make such a request in writing to the Chairperson.

A member of the board of directors may arrange to be represented by another board member, but each member may only hold one proxy.

The board can only deliberate validly if at least half of its members are present or represented.

Article 20

The board of directors has all possible powers to administer and manage the association with the exception of the powers that are the exclusive competence of the general assembly listed in Article 13.

In particular it can, without this list being restrictive and without prejudicing any other powers deriving from the law or the statutes, create and enact any acts and contracts, negotiate agreements, acquire or sell any tangible or intangible assets, mortgage, borrow, conclude leases of any length, renounce any rights, confer any powers to authorized agents of its choice, partners or otherwise, and represent the association in court.

It can also appoint and dismiss the staff of the association, and receive any amounts of money or securities.

Legal actions, whether as defendant or plaintiff, are monitored by the board of directors represented by the Chairperson or any other person appointed by the Chairperson, after approval by the board.

The functions of member of the board of directors of the association are unpaid. They can however give rise to reimbursement of costs.

Article 21

The resolutions of the board of directors are adopted by a majority of the members of the board present or represented. In the event of a tied vote, the Chairperson of the meeting has the casting vote.

Resolutions are recorded in a register signed by the Chairperson and kept by any other person appointed by the board of directors, who will hold it at the disposal of the members of the association.

VI

The Chairperson, the Vice-chairpersons, the Treasurer and the Auditor

Article 22

The Chairperson is elected by the general assembly from among the members of category 1, for a period of two years, renewable once.

Article 23

The association has four Vice-chairpersons, elected by the board of directors from among its members, for a period of two years renewable.

Article 24

Any act which commits the association must, failing any special power of attorney, be signed by the Chairperson or any other person appointed by the Chairperson after approval by the board of directors. These thus appointed persons will not have to justify to third parties the powers conferred on them for this purpose.

Article 25

The board of directors may appoint a Treasurer from among its members.

Article 26

The general assembly appoints an Auditor.

Article 27

The board of directors may at the request of the Chairperson appoint a person to handle the day-to-day activities of the association.

The person appointed by the board of directors, acts in all circumstances under the authority of the Chairperson, within the framework defined by the board of directors whose decisions he executes and whose management assignments he assumes.

VII

Modifications to the statutes - dissolution

Article 28

Without prejudice to the provisions of the law of 27 June 1921, any proposal to modify the statutes or dissolve the association must come from the board of directors or from at least three quarters of the full members.

The board of directors must communicate to the members of the association, at least three months in advance, the date of the general assembly which will decide on the said proposal.

The general assembly can only deliberate validly if it is composed of at least two thirds of its members. No decision will be valid unless it obtains a majority of three quarters of the votes, apart from the modification of the goals of the association which have to be approved by at least four fifth of the votes.

If two thirds of its members are not present or represented at the general assembly, a new general assembly will be called under the same conditions as above. This assembly will make a definitive and valid decision on the proposal in question, irrespective of the number of members present or represented.

The general assembly will establish the method of dissolution and liquidation of the association.

Article 29

Anything not provided for in these present statutes will be settled in accordance with the provisions of Belgian law.

Article 30

In the event of voluntary dissolution, the general assembly will appoint a liquidator and define his powers. The general assembly will determine the disposal of existing funds after paying off debts, and this in favour of an association with similar goals. These decisions, together with the name of the liquidator, will be published in the Appendices of the Belgian Monitor.