

ARTICLES OF ASSOCIATION

INTERNATIONAL ASSOCIATION OF VALIDATION AND VERIFICATION BODIES (IAVVB)

**FORMERLY KNOWN AS
DESIGNATED OPERATIONAL ENTITIES AND INDEPENDENT ENTITIES ASSOCIATION - (D.I.A.)**

REVISION 02, DATED 07 DEC 2023

I. NAME, REGISTERED OFFICE, DURATION

Article 1

There is hereby formed under the name

**"INTERNATIONAL ASSOCIATION OF VALIDATION AND VERIFICATION
BODIES (IAVVB)"**

formerly known as

Designated Operational Entities and Independent Entities Association (D.I.A.)

a not-for-profit association which is governed by these articles of association and by articles 60 ff. of the Swiss Civil Code (the "Association").

The registered office of the Association is in Geneva, Switzerland.

Article 2

The duration of the Association is unlimited.

II. PURPOSE

Article 3

The purpose of the Association is to be an independent, not-for-profit organisation dedicated to the development and establishment of effective processes and criteria for and related to the validation and verification of emission reduction and carbon removal

projects and to represent the members at relevant regulatory bodies ruling voluntary or mandatory certification schemes, such as those of the United Nations Framework Convention on Climate Change (UNFCCC), but also other Greenhouse Gas (“GHG”) programmes that accept either UNFCCC accredited bodies or bodies accredited according to relevant ISO standards referring to GHG validation or verification services (ISO 17029 in connection with ISO14064 part 2).

In collaboration with its members, the Association will:

- Be a forum for mediation and communication between members and scheme owners, UNFCCC bodies, governments, non-governmental and business associations and the general public on issues relating to the purpose of the Association;
- Be a forum for communication on experiences related to the purpose of the Association;
- Be active to put in place a robust and reliable legal basis for validation and verification services in the voluntary and regulated framework
- Foster close links with other bodies which have responsibilities and/or expertise that are relevant to the Association’s purpose, including but not limited to governments, non-governmental and business organisations;
- Do all such other lawful things as may be incidental or conducive to the purpose of the Association and/or shall further the above objectives or any of them;
- Not to exercise any profit making activity;

Members will not engage in activities that are in breach of competition laws, including the activities set out in Annex 2

Article 4

The Board of the Association can, with the approval of the General Meeting, issue additional regulations and guidelines specifying how to achieve the aims of the Association.

III. MEMBERSHIP

Article 5

Any entity/body defined below may apply to become a member of the Association.

The minimum requirements for admission of a body is either

- its listing by the United Nations Framework Convention on Climate Change as an accredited body or an applicant body for validation and or verification under Art 6.4 of the Paris Agreement or under the CDM of the Kyoto Protocol, or
- its accreditation as validation or verification body for emission reduction and/or removal activities according to corresponding ISO standards,

and

having transferred a membership application form.

Article 6

The application for membership shall be submitted in writing to the Board and shall contain the following documents:

- Proof of status as indicated in article 5.
- A signed declaration to adhere to the IAVVB Code of Conduct (Annex 1),
- A signed declaration that they will adhere to the guidance related to competition laws in relation to the IAVVB activities. (Annex 2)
- A signed declaration to adhere to the applicable membership fee structure

Article 7

Once the complete application is received, a letter of acknowledgement is sent to the applicant.

The General Meeting delegates to the Board the power to decide on the approval or the denial of the applications.

Each eligible applicant shall in due course be informed by the Board of their decision about the acceptance or rejection of the application for membership. The decision of the Board can be made electronically and shall usually be made within two months after sending the letter of acknowledgement.

The Board may not deny admission without valid reasons. The Board's admission decisions are subject to appeal, see Article 23.

Article 8

Membership is that of the legal entity, not of its personal representatives, and may not be assigned, sold, encumbered or transferred.

Article 9

Each member organisation may resign from the Association with a notice period of 3 months addressed to the Board.

The General Meeting may expel a member if it violates these articles of association, obstructs the interest of the Association, causes damages to its image or goodwill or ceases to be an applicant body or accredited body listed by the United Nations Framework Convention on Climate Change or corresponding ISO accreditation. The exclusion shall be decided by secret ballot at the General Meeting.

Members who resigned or were expelled or otherwise cease to be member from the Association shall have no right whatsoever on the Association's assets.

IV. MEMBERSHIP FEE, ASSETS AND LIABILITY

Article 10

Each member pays an annual membership fee at equal level. The Board can recommend the adjustment of the fee by the General Meeting. An adjustment will become valid in the year following such a resolution.

The initial annual fee starting from this revision dated 2023, i.e.: being applicable for the calendar year 2024, is 4,000 €. Each member as of 01 Jan of a calendar year will receive

an invoice on the due fee at the beginning of the year. Payment of the fee is due at the end of January of each year.

Incoming members have to pay the full annual fee for the year their application has been adopted. Outgoing members have no right to claim any refund or partial refund for the year when terminating membership.

The assets of the Association consist of funds accumulated through the proceeds, the collection of membership fees and the receipt of donations, subsidies, interests and other benefits.

The income and the assets of the Association shall only be used for the purpose of the Association. No portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise to the members of the Association or to any third party affiliated to a member. This does however not prevent the Association to perform its obligations under a contract with a member or any party affiliated to a member.

Article 11

Members shall not be held liable for the Association's debts and shortfall.

V. ORGANISATION AND GOVERNANCE OF THE ASSOCIATION

Article 12

The organization of the Association is composed as follows:

- the General Meeting;
- the Board;
- the Operations Office including the General Manager, which is either a contracted entity or directly employed staff or a combination of both; and
- such other bodies as the General Meeting at any time considers necessary;

VI. THE GENERAL MEETING

Article 13

The General Meeting is composed by all members and is the supreme body of the Association. It has the following powers:

- determining the priorities and strategy of the association;
- approval and amendment of the articles of association;
- approval of the annual budget, the annual report and the annual accounts;
- decision to dissolve the association;
- approval of the membership fee proposed by the Board and any adjustment to it;
- approval of the proposals of the Board regarding the organization of new working groups;
- exclusion of a member;
- appointment and removal of the member(s) of the Board and the auditors;
- determination of the tenure of each member of the Board;
- approval of internal regulations laid down by the Board
- resolution of any appeal presented to the General Meeting in line with Article 23; and
- resolving upon all matters reserved by law or by these articles of association, or which are presented to it by the Board.

The General Meeting is convened as often as required, but at least once every year. The Board is required to call a General Meeting if at least two-thirds of its members so desire. Meetings can be held either with physical attendance or remote attendance or in hybrid version, the later two options with assistance by appropriate IT-solutions enabling secret

polls. The actual option to be offered shall be indicated within the invitation to the meeting.

Notice of a General Meeting is issued by the President of the Board and mailed and e-mailed 30 calendar days before the opening of the General Meeting. Invitations have to state the agenda of the meeting. At the beginning of the meeting urgent matters can be added to the agenda if at least 50% of the attending members present agree.

Article 14

The President of the Board, or in his absence, the Vice-President of the Board, takes the chair of the meeting.

The Operations Office shall designate as Secretary one of its members who is responsible for taking the minutes of the meeting.

The General Meeting adopts its resolution by open ballot unless one or more members request a secret ballot. Decisions about exclusion of members are made by secret ballot.

Each member has one vote which is exercised by the member's representative at the General Meeting. Member organisations have to nominate by written notification to the Board one Delegate and one Alternate, one of which is entitled to represent, and act on behalf of the member organisation during the General Meeting and as a potential member of the Board. No individual shall be nominated as Delegate or Alternate by more than one member organisation. Changes of nominees can be made at any time but require a further notification to the Board. No such change results in changing the composition of the Board, even in case Board members are not any longer nominated as Delegate or Alternate by any member.

Article 15

The General Meeting adopts resolutions and carries out elections by the absolute majority of the votes cast at a duly called General Meeting, to the extent the law or these articles of association do not provide otherwise. Voting can be done by the Delegate or his Alternate as attendants. In case both, the Delegate or Alternate of member decide not to attend the General Meeting in person, but one can attend electronically via telephone or video-conference, his vote(s) on individual agenda items including elections of the Board as provided in the invitation to the General Meeting can also be given by email to

the Operations Office during an announced timeslot dedicated for this purpose. Such electronic votes shall be archived by the Operations Office and shall be included in the counting.

A two-thirds majority of the votes cast by the members voting at the General Meeting, is required exclusively for:

- any modification of these articles of association;
- any adjustment of the fee structure according to article 10;
- the exclusion of a member;
- the dissolution and liquidation of the Association; and
- the appointment of a special liquidator.

VII. THE BOARD

Article 16

Every second year starting from the Annual General Meeting 2023, the General Meeting elects the members of the Board for a two year periods. The size of the Board shall be in proportion to the number of members of the Association determined on 30st June of the election year, so that there will be one Board member for each five members, however there will be a minimum of three Board members at any one time. The General Meeting may agree to establish a Board with more members as defined above.

The Board shall comprise a President and a Vice-President elected at the same electoral convention by the General Meeting.

Election of the Board, the President and the Vice President will be arranged and conducted by the General Manager as defined in Article 19 and is done in secret ballots by the members voting at the General Meeting, while candidates are not required to attend. Candidature has to be confirmed during the General Meeting, or in case of non-attending members, which wish to do so, by written notice or email sent to and received by the Operations Office before the start of the elections. At the time of elections all candidates

have to be designated either as Delegate or as Alternate of any member of the Association. Elections will be done in the following order:

- a. the President of the Board to be elected by simple majority in secret ballot where each member voting at the General Meeting has a single vote;
- b. the Vice President of the Board to be elected by simple majority in secret ballot where each member voting at the General Meeting has a single vote;
- c. the other Board members until reaching the number of board members determined in accordance with the number of members of the Association, to be elected by simple majority in secret ballots where each member voting at the General Meeting has a single vote;

The members of the Board can be re-elected without limitation.

A Board member may resign from his position by written notice sent to the General Member. In case the President or the Vice President resigns from the position or the amount of Board members falls below the amount given according to the first paragraph of this Article an extraordinary General Meeting shall be convened within 60 days following the resignation in order to replace the missing function. The term of the replaced function shall last until the end of the regular two year electoral period of the Board.

Members of the Board represent the Association and not members of the Association when speaking for, or communicating related to the Association purpose(s).

Article 17

The Board is the managing body of the Association. It handles all matters, which are not conferred by the law or these articles of association on the General Meeting. The Board will where possible use electronic communication methods to reduce the travel of Board Members.

The Board has the following powers:

- to be responsible for the conduct of the activities of the Association within the limits fixed by the General Meeting, in particular to
 - appoint the General Manager;

-
- contract an external entity for running the Operations Office, if this is deemed appropriate by the Board;
 - approve the work program; and
 - approve reports, executive briefs and other documents released in the name of the Association.
 - to approve programmes which serve and advance the purpose of the Association ;
 - to initiate or approve the organization of new working groups, and the appointment of their members;
 - to review the bookkeeping of the Association at any time;
 - to submit an annual budget, together with supporting documentation to the General Meeting for its approval ;
 - to appoint signatories for the Association;
 - to take a decision on the admission of an applicant for membership.

The members of the Board are not entitled to any remuneration, neither personnel costs nor travel expenses, for their activities.

The Association shall be represented and bound towards third parties by two members of the Board, acting jointly, out of which one at least is the President or the Vice-President.

Article 18

The meetings of the Board are convened by the President or by request of a member of the Board, if necessary. The Operations Office prepares the minutes of the meetings.

Resolutions require a minimum of 50 % of the votes of all Board members including those not casting their votes. Resolutions may also be made by postal ballot or by e-mail, telex, telefax sent to the Operations Office or by videoconference or teleconference. In case of a tie vote, the President shall have the casting vote.

The Board's resolutions are subject to appeal; see Article 23 for appeal process.

VIII. THE OPERATIONS OFFICE AND THE GENERAL MANAGER

Article 19

The Association will have a permanent Operations Office if so determined by the Board. In case the Board decides not to establish an Operations Office, the duties allocated to the Operations Office as per the articles of association shall be carried out by the Board.

The Operations Office can be established by either contracting an entity service provider or directly employing staff or a combination of both. The location of the Operations Office is not necessarily the same as that of the registered office of the Association.

The Operations Office will be headed by the General Manager of the Association, who should be either an employee of the contracted service provider running the Operations Office or an employee of the Association. Should the General Manager leave the employment of the contracted service provider running the Operations Office or the Association, be incapacitated, die or resign from his/her own will during his/her term, the Board will designate a substitute for the remainder of the term.

The General Manager will be responsible for co-ordinating the work of the Association including the Operations Office, the day to day progress on work programs, administration of the associations' staff (if any) and budgets, and appropriate external representation.

Article 20

Within eight weeks following the election of the Board, the Board appoints or reconfirms the General Manager of the Association.

The General Manager will manage the Operations Office and report to the President and the Board.

The General Manager will have authority to sign for the association in accordance with the related Board's decision and for creating expenditures within the approved budget.

Article 21

The General Manager is responsible for ensuring the daily bookkeeping of the Association and for drawing up annual accounts to be examined by the Auditors.

The General Manager supported by the Operations Office will have the following duties:

- to develop reports, executive briefs and other documents released in the name of the Association;
- to submit an annual report to the Board for submission to the General Meeting;
- to initiate, recommend and promote programmes which serve and advance the purpose of the Association;
- to recommend and support the organization of new working groups;
- to lay down internal regulations to be approved by the General Meeting;
- to coordinate, assist and monitor all working groups and their programmes;
- to submit an annual budget, together with supporting documentation to the Board for its submission to the General Meeting;
- to keep a register which contains the names and addresses (including email addresses) of the members and their representatives;
- to ensure the appropriate compliance with legal obligations, such as the delivery of tax declarations, as legally requested.

IX. THE FINANCIAL YEAR AND EXAMINATION OF THE ACCOUNTS**Article 22**

The financial year starts on 01 January of a calendar year and ends on 31 December of the following year.

The Board shall nominate two Board members who shall examine the Association's annual accounts, and recommend the approval or disapproval of these accounts to the General Meeting.

X. APPEAL PROCESS

Article 23

Any member who wishes to appeal a decision of the Board shall submit written communication to the General Manager setting out:

- information / data submitted to the Board for their evaluation;
- the challenged Board decision;
- reasoned arguments for why the decision should be amended.

The General Manager shall respond to the appellant to acknowledge the appeal.

The General Manager shall appoint members of an appeal panel to hear the appeal chosen among the Delegates and the Alternates designated by the members. At least 3 members shall be on the appeal panel. The members of the appeal panel shall be independent of the Board members and the member that has appealed.

The appeal panel shall:

- appoint a chair;
- conduct the review of the appeal in an expedient manner;
- report to the appellant, Board and General Meeting on its recommendations within 4 weeks or as soon as possible given the circumstances of the case at stake.

The General Meeting shall consider the recommendation of the appeal panel and resolve on the decision subject to appeal – this will be done electronically to avoid delay in the process.

XI DISSOLUTION AND LIQUIDATION**Article 24**

The General Meeting may at any time resolve the dissolution and liquidation of the Association in accordance with the provisions of the law or these articles of association.

Article 25

The liquidation shall be carried out by the Board to the extent that the General Meeting has not entrusted a special liquidator with this regard.

Article 26

The members of the Association shall not be entitled to the Association's assets.

Any and all remaining assets shall be distributed to a Swiss entity of public interest pursuing a not for profit role in the greenhouse gas market.

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ANNEX 1

IAVVB CODE OF CONDUCT

IAVVB's conduct business within the framework of the Kyoto Protocol, UNFCCC requirements, applicable professional standards, laws, regulations and internal policies, however we acknowledge that these do not govern all types of behaviour, as a result we have a Code of Conduct for all IAVVB members. This code is based on what is considered professional behaviour in performing validations, verification and the associated business around it.

As IAVVB members we have an obligation to comply with the letter and spirit of this Code and to help others do the same. As individual entities we are encouraged to raise any issues and concerns through the relevant regulatory body.

While the Code provides a broad range of guidance about the standard of integrity and business conduct, no code can address every situation that individuals are likely to encounter. As a result this Code is not a substitute for our responsibility and accountability to exercise good judgement and proper business conduct, but provides an overarching set of guiding principles.

- ☐ Upholding the integrity of the climate policy of the UNFCCC and resulting climate actions described therein.
- ☐ The portfolio of work and corresponding marketing material will reflect the sectoral scopes that a IAVVB member has received accreditation for.
- ☐ We respect the confidentiality and privacy of our clients, our people and others with whom we do business.
- ☐ We aim to avoid conflict of interest. Where potential conflicts are identified and we believe that the respective parties' interest can be properly safeguarded by the implementation of appropriate procedures, we will implement such procedures.
- ☐ We treasure independence of mind. We protect our clients', UNFCCC bodies, certification scheme owners, national accreditation bodies, and other stakeholders' trust by adhering to regulatory and professional standards, which are designed to enable us to

achieve the objectivity necessary in our work. In doing so, we strive to ensure our independence is not compromised or perceived to be compromised. We address circumstances that impair or could appear to impair our objectivity.

☐ We will work to protect the integrity of climate action by professional and ethical conduct in the marketplace. We will strive for fair and honest competition, avoid any real or perceived conflicts of interest in our work as a IAVVB member, and will not mislead the market actors in any way.

☐ We act in a socially responsible manner, within the laws of the countries in which we operate.

☐ We are committed to supporting international and local efforts to eliminate corruption and financial crime and therefore have zero tolerance to receiving or paying bribes.

ANNEX 2

IAVVB members will respect antitrust legislation and will not accept any prohibited anti-competitive behaviour during meetings or further communications for the purpose of the Association and beyond that. In particular the following subjects / topics will not be discussed in IAVVB meetings or between IAVVB members:

- practices that restrict free trading and competition between business
- practices that support abusive behaviour by a firm dominating the market
- prices, discounts or conditions of sale of any service or product
- limitations to the quality of services
- share/allocation of markets
- crowding out of competitors
- bidding strategies for tenders in which a IAVVB member may be involved
- available human resources for delivering validation or verification services
- employee's salaries, compensations, benefits etc.
- refusing to deal with individual suppliers or customers.
- refusing to operate in individual host countries
- commercially sensitive information of customers (e.g., prices, production levels and confidential customer-specific information)

ANNEX 3
List of members (as of 07 Dec 2023) adopting this revision

| Name | Address | Signature of Participant at General Meeting 2023 |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Asociación Española de Normalización y Certificación (AENOR) | Genova 6 28004 Madrid Spain | |
| Carbon Check (India) Pvt Ltd (Carbon Check) | 2 nd Floor, 2071/38 Naiwala Karolbagh, Central Delhi 110005 Delhi India | |
| Earthood Services Private Limited. (Earthood) | 1203-1205, 12th floor, Tower B, Emaar Digital Greens, Sector 61, Golf Course Ext Road, Gurugram, Haryana 122011 India | |
| EPIC Sustainability Services Pvt. Ltd. (EPIC) | 41 Anugraha First Cross Road Sundar Nagar Near BEL Circle Gokula 560054 BangaloreIndia | |
| KBS Certification Services Ltd (KBS) | 414-424, OM SHUBHAM TOWER, NEELAM-BATA ROAD, N.I.T. 121001 Faridabad India | |
| TÜV NORD CERT GmbH (TÜV NORD) | Am TÜV 1 45307 Essen Germany | |
| TUV SUD South Asia Pvt. Ltd. (TUV SUD) | Solitaire, 4 th Floor ITI Road Aundh Pune 411007 India | |