

Constitution
Adopted on the 20th day of March 2008
at the inaugural meeting of the International Carbon Reduction and Offset Alliance

1. **Name and Purpose**

1.1 Formation

The Members hereby form the unincorporated association to be known as the International Carbon Reduction and Offset Alliance or “ICROA” (the "**Association**").

1.2 Purpose

The Association’s primary purposes are as follows:

- Promote a credible code of best practice for carbon reduction services.
- Provide a credible, influential and uniform voice on carbon reduction policy and standards.
- Promote a commitment to shared learning and best practice on methods and strategies for effective emissions reductions.

1.3 Reservation of Rights

Nothing in this Constitution shall limit or restrict any Member from publicly advocating or taking a position on any scientific, business or policy issue whatsoever on its own behalf and in its own name, provided that that Member does not state, imply or suggest that it speaks on behalf of the Association or other Members. Nothing in this Constitution is intended in any way to prevent any Member from undertaking (individually or with other Members and/or non-Members) any independent work or activity outside the Association.

2. **Membership and Costs**

2.1 Membership

2.1.1 The criteria for membership in the Association is as follows:

- Members have provided carbon reduction services, including carbon offsets, for at least 12 months.
- Members are committed to supporting meaningful emissions reduction targets and combining internal and external reductions to meet them.
- Members endorse (at board level) and adhere to the Association’s code of best practice.
- Members have paid the all required subscription fees.

- 2.1.2 Members will also be committed to providing an annual report demonstrating how they are in compliance with the Association's code of best practice and agree to non-confidential details of this annual report being made publicly available on the Association's website.
- 2.1.3 The Founding Members of the Association shall be the initial members who have signed this Constitution. All other Members will be General Members.
- 2.1.4 The Association may also offer non-members a form of "Associate Membership". Associate Members will not be treated as, and will not be granted the rights of, Members of the Association but they will be granted observer rights and may participate in policy discussions, at the invitation of the Executive Committee Co-Chairs.
- 2.1.5 The Association may establish different classes of Members with different subscription rates.

2.2 Fees and Default

- 2.2.1 Each Founding Member shall pay an annual subscription fee of £7,500 for the period from 1 January 2008 to 31 December 2008 and thereafter an annual subscription fee of £5,000. Each General Member shall pay on an annual subscription fee of £5,000 from the date of becoming a Member. Associate Members shall be required to pay an annual subscription fee. The personal liability of a Member or an Associate Member in respect of any obligation of the Association shall be limited to the amount of the subscription fees it has paid to the Association.
- 2.2.2 In addition, the Executive Committee may require extraordinary fees as it believes are necessary to meet the obligations of the Association, provided that any such extraordinary assessment is approved by 50% plus one (1) of the Members present and voting at an extraordinary general meeting. The Executive Committee shall ensure that the Association invoices for each extraordinary fees adopted are issued to individual Members in accordance with the decision of the Executive Committee and the terms of this Constitution.

2.3 Bank Account

- 2.3.1 All funds collected from Members shall be payable to the bank account of the Association as opened and maintained by the Executive Committee. Such account shall operate under the joint signature of two (2) officers of the Executive Committee.
- 2.3.2 The funds in this account shall be managed and directed by the Executive Committee in accordance with this Constitution and any relevant banking document until expended or returned pursuant to this Constitution.

2.4 Allocation Of Costs

- 2.4.1 It is the intention of the Members that, except to the extent that extraordinary fees are adopted in accordance with clause 2.2.2, the Association will operate in any period

within the budgetary framework created *de facto* by the funds available to it, or prudently expected to be available to it, from the Members' subscription fees.

- 2.4.2 Costs of the Association shall include all contract charges, costs related to the employment of programme director and programme coordinator of up to £40,000 per annum in aggregate, legal, accounting and other professional fees, liabilities, and all other expenses and obligations reasonably incurred as a result of the performance of the activities of the Association in furtherance of its purposes and of a nature which under sound accounting practices would be properly charged as a cost of the Association, but shall exclude any charges against the Association for any overhead expenses or charges of the employees of the Members or for the time which may be incurred in connection with the work by any of the Members or their officers or employees (except as may be approved by the Executive Committee).

3. **Special General Meetings of the Members**

- 3.1 The Association shall hold a special general meeting of the Members (by physical meeting or by conference call) at least once per calendar quarter. The date of each special general meeting shall be set at the end of the previous special general meeting.
- 3.2 The Co-Chair shall preside at all special general meetings and shall circulate details including an agenda of the special general meeting to the Members at least five (5) business days before the date of the meeting.
- 3.3 All the Members shall be entitled to appoint an individual to represent that Member to attend and vote on its behalf at the special general meeting. There shall be a quorum when at least 50% + 1 Members are present at any special general meeting.
- 3.4 The following may be discussed at special general meetings, and subject to the further provisions of this Constitution, any amendments to any of the following shall require approval by 75% of the Members present and voting:
- The name and structure of the Association.
 - The Association's Constitution (as provided in Section 11 of this Constitution)..
 - The Association's Code of Best Practice.
 - The verification regime for Members' compliance with the Association's code of best practice (and any changes thereto).
 - The appointment of the Secretariat to carry out the day to day functioning of the Association as set out below.
- 3.5 Subject to the provisions of Section 5, all other matters necessary to promote the purposes of the Association shall be deemed delegated to the Executive Committee, except as provided in Section 4.3.4. below.
- 3.6 If at least 50% plus one (1) of Members request an extraordinary special general meeting in writing stating the business to be considered the Co-Chair shall call such a meeting. At least

twenty one (21) business days notice must be given and the notice must state the business to be discussed.

4. **Executive Committee**

4.1 Executive Committee

The Association shall operate through an Executive Committee which shall have the following powers, which may be exercised only to promote the Association's purposes:

- Implement any measures decided upon by the Members in a special general meeting.
- Set the annual budget of the Association (and any charges thereto).
- Coordinate and liaise with the Secretariat appointed to carry out the day-to-day functioning of the Association as set out below.
- Negotiate and enter into any agreements or other obligations of the Association with third parties, including the retention of lawyers or consultants.
- Establish other committees.
- Implement any change of structure of the Association (including the transfer the assets/undertakings of the Association to a new entity formed for the purposes of carrying on the Association's primary purposes as set out in this Constitution).
- Approve individual expenditures in excess of £5,000.
- Insure the Association against any foreseeable risk.
- Insure or indemnify officers of the Executive Committee against any liability that by virtue of any law would otherwise attach to an officer in respect of any negligence, default breach of duty or breach of trust of which he or she may be guilty in relation to the Association but excluding (i) any fines, (ii) any costs of unsuccessfully defending criminal proceedings for offences arising out of the fraud, dishonesty or wilful or reckless misconduct of the officer or (iii) liabilities to the Association that result from conduct which the officer knew or ought to have known was not in the best interests of the Association.

4.2 Composition of the Executive Committee

4.2.1 The Executive Committee shall be composed of not less than seven (7) and not more than fifteen (15) officers.

4.2.2 Each Founding Member may appoint one (1) representative as an officer to the Executive Committee. Until the number of Members exceeds fifteen (15), each Member may also appoint one (1) representative as an officer to the Executive Committee. The Secretariat shall be entitled to attend Executive Committee meetings as an observer and in an advisory capacity but shall not be entitled to vote on any matter.

- 4.2.3 Representative(s) of the Members shall be authorized to act for and bind the Member with respect to all matters to be decided on by the Executive Committee. A Member, at its own discretion, may change the representative appointed by that Member to the Executive Committee by written notice to the Co-Chair.
- 4.2.4 A representative may designate a proxy to represent that representative's interest at any meeting of the Executive Committee and shall notify the Co-Chair of such proxy designation prior to the applicable meeting.

4.3 Frequency of Meetings, Quorum and Voting

- 4.3.1 The Executive Committee shall hold at least one (1) ordinary meeting a month, on the last Thursday of the month unless otherwise notified by the Co-Chair. Any such meeting may be held concurrently with a duly noticed special general meeting of the Members, until such time as the number of Members exceeds fifteen (15). A special meeting of the Executive Committee may be called at any time by the Co-Chair or by any two (2) officers of the Executive Committee upon not less than five (5) business days notice being given to the officers of the Executive Committee of the matters to be discussed. Meetings of the Executive Committee may be held by teleconference.
- 4.3.2 There shall be a quorum when at least 50% + 1 officers of the Executive Committee are present at a meeting.
- 4.3.3 Each officer shall have one vote at decisions of the Executive Committee, unless conflicted.
- 4.3.4 The Executive Committee will strive to make decisions by consensus. Decisions of the Executive Committee may be adopted and actions may be taken only if approved by 50% + 1 of the officers of the Executive Committee present and entitled to vote. In the event of a tied vote, the Executive Committee shall submit the issue to be decided at the next special general meeting of the Members.

4.4 Co-Chairs, Treasurer and Secretary

- 4.4.1 Co-Chair:
- The Co-Chair shall be composed of two (2) representatives from two (2) Members who are entitled to appoint representatives to the Executive Committee. The identity of these two (2) Members shall be decided upon once a year at the annual general meeting of the Association, by a majority of the Members present and entitled to vote; provided, however, that if no Member receives a majority vote, the two Members with the highest number of votes received shall be entitled to appoint a representative to the Co-Chair. For the first year, the identity of the two (2) Members whose representatives shall be Co-Chairs shall be decided upon at the inaugural meeting of the Association, by a majority of the Members present and entitled to vote.
 - One Co-Chair shall preside at all meetings of the Executive Committee and at special general meetings of the Members.

- The Co-Chair shall exercise his or her best efforts in the performance of his or her duties under this Constitution and shall treat all Members equally. The Members shall provide the Co-Chair with the cooperation necessary for the performance of his or her duties.
- Should a majority of the Members at any time and for any reason be dissatisfied with the performance of any of the people or Members composing the Co-Chair, they may, with ten (10) business days' prior written notice to the Executive Committee, substitute another person or Member (as the case may be) to the Co-Chair approved by more than 50% of all the Members present and voting at an extraordinary general meeting.

4.4.2 Treasurer: The Treasurer shall maintain (or oversee the maintenance of) the financial books and records of the Association, which shall be open to inspection by any Member.

4.4.3 Secretary: The Secretary shall maintain the non-financial books, records, register of Members and minutes of all general meetings of the Association and of the Executive Committee, which shall be open to inspection by any Member.

4.4.4 Secretariat: The Executive Committee shall have the power to approve the functions to be carried out by the Secretariat approved by the Members (which functions may include those of the Treasurer and Secretary), which shall be as set out in a written agreement between the Association and the body performing the Secretariat function provisionally for twelve (12) months and with a six (6) month break clause.

4.5 Contracts with Third Parties

The Executive Committee shall be the only committee of the Association authorised to approve into contracts with third parties on behalf of the Association and no contract shall be signed unless approved by the Executive Committee. Authority to execute such contracts on behalf of the Association shall be vested with both Member representatives then acting as the Co-Chair.

4.6 Liability Limitation

No individual director, officer or employee of a Member who acts as that Member's representative or as an officer of to the Executive Committee or other committee of the Association shall be liable to any other Member for negligent or wrongful acts or omissions arising out of such representative's performance on behalf of the Association, provided that this limitation shall be inapplicable in cases of fraud, dishonesty or breach of such Member's confidentiality obligations.

5. **Annual General Meeting of the Members**

5.1 There shall be an annual general meeting of the Association which shall be held in the month of April in each year or as soon as practicable thereafter.

- 5.2 Every annual general meeting shall be called by the Executive Committee. The Secretary shall give at least twenty one (21) business days notice of the annual general meeting to all Members. All the Members shall be entitled to appoint an individual to represent that Member who can attend and vote on its behalf at the meeting. There shall be a quorum when at least 50% + 1 Members are present at any general meeting.
- 5.3 Before any other business is transacted at the first annual general meeting the Members present shall appoint a chairman of the meeting to oversee proceedings and a secretary to take minutes of the meeting.
- 5.4 The Executive Committee shall present to each annual general meeting the report and accounts of the Association for the preceding year.
- 5.5 Nominations for election to the positions of Co-Chair, Treasurer, Secretary and Secretariat of the Executive Committee may be made by any Member present at the annual general meeting and eligible to vote, and shall be elected by a majority of the Members at the annual general meeting from the persons nominated under this clause.
- 5.6 If the Association has more than 15 Members, the Members shall decide by majority vote which Members (other than the Founding Members who shall automatically be represented on the Executive Committee) shall be represented on the Executive Committee.

6. **Termination of Membership**

- 6.1 Membership is terminated if:
- 6.1.1 the Member ceases to exist;
 - 6.1.2 the Member resigns by written notice to the Association;
 - 6.1.3 any sum due from the Member to the Association is not paid in full within three months of it falling due;
 - 6.1.4 the Member is removed from membership by a majority resolution of the Members that it is in the best interests of the Association that its membership is terminated, including but not limited to where a Member is found by the Executive Committee not be in compliance with the Association's code of best practice. A resolution to remove a Member from membership may only be passed if:
 - (i) the Member has been give at least twenty one (21) days' notice in writing of the meeting of the Members at which the resolution will be proposed and the reasons why it is to be proposed; and
 - (ii) the Member or, at the option of the Member, the Member's representative has been allowed to make representations to the meeting.
- 6.2 A Member whose membership is terminated shall not be entitled to any refunds of sums previously paid and shall be responsible to pay any fees approved prior to the effective date of withdrawal which it still owes; provided, however, that a Member that delivers notice of withdrawal within three (3) business days of any assessment of fees in accordance with this

Constitution will not be responsible for that assessment, and a withdrawing Member shall not be responsible for the payment of any additional assessment approved after the date of the Member's notice of withdrawal. A withdrawing party shall not be liable for obligations committed to by the Association after the date of the withdrawing party's notice of withdrawal.

6.3 Membership of the Association and rights of the Members may not be transferred or assigned.

7. **Dissolution**

If more than 75% of Members decide together that it is necessary or advisable to dissolve the Association they shall put this proposal to all the Members of the Association at the next special general meeting of the Association. If the proposal is confirmed by 75% of those present and voting the Executive Committee shall have power to realise any assets held by or on behalf of the Association and to effect the dissolution of the Association. Any assets remaining after the satisfaction of any proper debts and liabilities shall be given or transferred to such other corporate entity or charitable institution or institutions having objects similar to the objects of the Association as the members of the Association determine or, failing that, shall be applied for some other charitable purpose/to the Members.

8. **Appointment of Lawyers or Consultants**

8.1 The Executive Committee has the authority to select and retain lawyers or consultants to represent the Association and assist in performing its purposes. Common lawyers or consultants may concurrently represent one or more individual Members in addition to the Association pursuant to clause 8.2.

8.2 The Association and its Members acknowledge and agree that Members acting in their individual capacities may have previously or may in the future retain the same lawyers or consultant(s) for consultations and/or representation as have been or as may be retained on behalf of the Association, and that such retention will not constitute a conflict of interest (or if constituting a conflict, such conflict shall, by signing this Agreement, be expressly and knowingly waived with respect to such lawyers' or consultant's activities on behalf of the Association). If any Member should withdraw from the Association, that Member shall raise no objection to the continued representation by such lawyers or consultant of any remaining Member or of the Association.

9. **Notices**

Any notice requiring to be served on any Member shall be in writing and shall be served by the Secretary on any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his or her last know address, and any letter so sent shall be deemed to have been received within twenty (20) days of posting.

10. **Confidentiality**

10.1 Each Member undertakes to the Association and to the other Members that it shall not use or disclose to any person Confidential Information it has or acquires and that it shall make every effort to prevent the use or disclosure of Confidential Information;

10.2 Clause 10.1 does not apply to disclosure of Confidential Information:

10.2.1 to the extent that it is generally known to the public not as a result of a breach of any duty of confidentiality;

10.2.2 to a director, officer or employee of a Member whose function requires him to have the Confidential Information;

10.2.3 to the extent that it is required to be disclosed by law or by a governmental authority or other authority with relevant powers to which that Member is subject or submits; or

10.2.4 to an adviser for the purpose of advising that Member in connection with its ICROA membership provided that such disclosure is essential for that purposes and is on the basis that clause 10.1 applies to the disclosure by the adviser.

10.3 Confidential Information in this clause 10 shall mean all information which is used in or otherwise relates to the Association and any information which relates to the Members, or any of them, which discussed or shared with other Members (including any information discussed or shared at an Executive Committee meeting or any other meeting of the Members).

11. **Alterations to the Constitution**

The Constitution may be altered by a resolution passed by not less than 75% of the Members present and voting at a special general meeting. The notice of the special general meeting must include notice of the resolution, setting out the terms of the alteration proposed.

Signed by all the Members

Signed by _____

For and on behalf of _____

Signed by _____

For and on behalf of _____

Signed by _____

For and on behalf of _____

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