

PRIVATE COMPANY LIMITED BY
GUARANTEE

ASSOCIATION OF POWER
COMPANIES

CONSTITUTION

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Table of Contents

PREAMBLE.....	4
ARTICLE 1-Definitions.....	5
ARTICLE 2 - Establishment of the Company.....	6
ARTICLE 3 - Legal Status.....	6
ARTICLE 4 - Objectives.....	6
ARTICLE 5 - Structure and Organization.....	6
5.1 The Council.....	6
5.2 The Executive Committee.....	7
5.3 Secretariat.....	7
5.4 Sub-Committee.....	8
ARTICLE 6 - Membership.....	8
ARTICLE 7 - Financial Contributions.....	9
ARTICLE 8 - Obligations and Rights of Members.....	9
ARTICLE 9 - Election of Members.....	10
ARTICLE 10 - Voting.....	10
ARTICLE 11 - Resignations.....	10
ARTICLE 12 - Meetings.....	10
12.1 Annual General Meetings.....	10
12.2 Special Meetings.....	11
12.3 Expenses of Attending Meetings.....	11
ARTICLE 13 - Settlement of Disputes.....	11
ARTICLE 14 - Dissolution of the Company.....	11
ARTICLE 15 - Entry into Force.....	11
ARTICLE 16 - Depository.....	11
Table 1: Membership Framework.....	8

List of Tables

PREAMBLE

THE ASSOCIATION OF POWER COMPANIES

HEREBY AGREES AS FOLLOWS:

WE THE UNDERSIGNED, being representatives duly authorised to sign this Constitution on behalf of our respective organizations.

RECOGNISING

- The importance of power companies in Zambia's economic development
- The need for a structured platform for industry discussions
- The importance of policy advocacy
- The need to cooperate and build capacity as power companies in Zambia
- The key role that power plays in infrastructure and sustainable economic development
- The need to have a platform for discussion and dialogue in the power industry
- The need to lobby for the development of the power sector

TAKING INTO CONSIDERATION the deliberations of the inaugural meeting held on the 24th of May, 2011 at Copperbelt Energy Corporation, Lusaka office, and several consultative meetings to discuss the draft Constitution.

DETERMINED to establish a consultative and collaborative body in order to play a fitting role in the development of the power industry in Zambia and beyond.

HEREBY ADOPT the following Constitution.

ARTICLE 1-Definitions

Chief Executive Officer

-Means the Head of Secretariat appointed under Article 5.3

Annual General Meeting

-Means a formal yearly meeting as described in Article 12.1

Company

-Refers exclusively to APC as a legal entity registered under Zambian law

Associate Member

-Means consultants, researchers, or academics in the power sector with non-voting status

Chairperson

-Means the person elected in terms of Article 5.1 (i)

Council

-Means the supreme decision-making body composed of all members

Executive Committee

-Means the committee elected to manage APC's operations in terms of Article 5.2

Industry

-Means power sector

Meeting

-Means an Annual General Meeting (AGM) of the Council, a Special Meeting, or a meeting of the

Executive Committee or any other sub-committee

Member

-Means A power company or related entity registered in Zambia that has fulfilled membership requirements

Secretariat

-Means the body appointed by the Executive Committee

Quorum

-Shall represent 50% of active voting members

ARTICLE 2 - Establishment of the Company

APC is established as a private company limited by guarantee under Zambia's Companies Act No. 10 of 2017, operating without share capital.

ARTICLE 3 - Legal Status

- i. The Company is and shall continue to be a distinct and separate legal entity and corporate body, with the power to acquire, to hold and to alienate property of every description whatsoever, and with the capacity to acquire rights and obligations and having perpetual succession
- ii. All actions or suits proceedings at law or any arbitration shall be brought by or against the Company in the name of the Company and the Executive Committee may authorize any person(s) to act on behalf of the Company and sign all such documents and to take all such steps as maybe necessary in connection with such proceedings
- iii. Liability of members is limited to guarantees outlined in Article 7

ARTICLE 4 - Objectives

The objectives of the Company shall be:

- i. To enhance the promotion and strengthening of links with similar organizations in the region
- ii. To undertake such other activities and provide such other services as may advance the objectives of the Company and of the industry
- iii. Advocacy: Interface with Government, regulators, financiers and consumers to influence policy
- iv. Collaboration: Foster regional partnerships and knowledge-sharing with entities like SADC power associations
- v. Capacity building and training: Provide technical workshops and research on renewable energy, grid modernization and tariff reform
- vi. Transparency: Promote ethical practices and compliance within the power sector

ARTICLE 5 - Structure and Organization

The Company shall comprise the following organs:

1. The Council: The highest authority, composed of all APC members
2. The Executive Committee: Comprising a Chairperson, Vice Chairperson and three (3) additional members
3. The Secretariat: Headed by the Chief Executive Officer, responsible for daily administration.
4. Sub-Committees: Established as necessary for specialized tasks and responsibilities

5.1 The Council

- Composition: All voting members
- Functions:
 - Approve budgets, audits and strategic plans
 - Elect the Executive Committee
 - Resolve membership disputes (as the final authority)
- Delegation: May delegate operational tasks to the Executive Committee

5.2 The Executive Committee

- Composition: Chairperson, Vice Chairperson and three (3) members
- Term limits: Maximum of two (2) consecutive terms (two (2) years each)
- No immediate re-election after two (2) successive terms
- Roles:
 - Implement Council decisions
 - Oversee Secretariat and sub-committees

5.3 Secretariat

There shall be an established Secretariat of the Company. The Secretariat shall be headed by the Chief Executive Officer, who shall be appointed by the Executive Committee.

The Chief Executive Officer is responsible for day-to-day operations, financial management and reporting. The Chief Executive Officer shall be the principal executive officer. In addition to the Chief Executive Officer, there shall be such other staff of the Secretariat as the Executive Committee may determine. The Chief Executive Officer shall be responsible for the administration of the Secretariat and shall in particular:

- i. Subject to the directives of the Executive Committee, ensure implementation of the decisions
- ii. Ensure the proper conduct of the administrative and financial matters of the Company
- iii. Carry out duties and research related to the objectives of the Company on his own initiative or as the Executive Committee may determine
- iv. Keep up to date with current developments concerning the objectives of the Company and advise the Members of such developments
- v. Submit to the Executive Committee audited accounts of the Company

- vi. Submit to the Executive Committee the draft work programme and budget of the Company
- vii. Submit to the Executive Committee draft rules and regulations governing the financial and administrative activities of the Company
- viii. Report to the Executive Committee paid and unpaid subscriptions as well as any assistance received
- ix. Provide Secretariat services for meetings of the Executive Committee and any other meeting the Company may hold from time to time; and cause minutes of the meetings to be kept and as soon as possible transmit copies thereof to the Members of the Executive Committee or any committee, as the case may be
- x. In consultation with the Chairperson, prepare the provisional agenda of meetings of the Executive Committee
- xi. Prepare the provisional agenda of any committee as may be established from time to time
- xii. Attend meetings of the Executive Committee and of any committee that may be established but without the right to vote
- xiii. Prepare and submit an annual report on the activities of the Company to the Executive Committee
- xiv. Prepare and submit to the Executive Committee a report on the activities of committees which may be established
- xv. Establish for each financial year the programme, budget and status of implementation of the current budget of the Company and submit them to the Executive Committee for consideration and onward submission to the Council for final approval
- xvi. When the budget has been approved by the Council, transmit it to Members together with all related documents and the budget shall be accompanied with the statement of annual contributions which shall be paid by the 31st day of December preceding the beginning of the financial year to which they relate
- xvii. In accordance with the guidelines laid down by the Executive Committee, be the custodian of the funds of the Company and be responsible for implementing its budget
- xviii. Submit to Members immediately after every quarter, a statement of contributions paid

and outstanding

- xix. On behalf of the Company, accept any donations, legacies and other gifts given to the Company, providing such gifts are compatible with the objectives of the Company and have been approved by the Executive Council
- xx. Use the services of commercial banks or banking institutions within the sub-region approved by the Executive Committee for depositing and administering the funds of the Company
- xi. Perform the functions of the Company provided for in Article 5 of these Articles

5.4 Sub-Committee

Task-specific committees (e.g. Legal, Technical) report to the Executive Committee. Sub-Committees, which shall be separate from the Executive Committee, may be established as and when the Company deems it necessary. They shall report to the Executive Committee, and in special cases, make a report at Council meetings.

ARTICLE 6 - Membership

- i. Membership of the Company shall be open to all Power Companies and Power-related Companies registered in Zambia
- ii. Associate Membership shall also be extended to Academics, Consultants and Researchers in the power sector

Membership of the Company shall be acquired through lodging of an application on a form that the company may, from time to time, decide and shall contain such information and particulars as the Company may require. The Company may, from time to time, have the right to vary, amend or alter the forms for Corporate or Associate membership. The applicant shall be informed in writing of the acceptance of their application for membership and shall be required to pay the applicable membership fee for their membership to be active.

ARTICLE 7 - Financial Contributions

- 1. **Tiers:** Based on annual turnover (revised biennially by the Council):

Operating

- Tier 1 (>USD 50 million): Four (4) votes
- Tier 2 (USD 10-50 million): Three (3) votes

- Tier 3 (Below USD 10 million): Two (2) votes

Non-Operating

- Tier 4 (Project developers): One (1) vote

Associates (Consultants and Academics)

- Tier 5 (Interested experienced professionals): No voting rights

The membership fees are set out in Table 1 below.

Table 1: Membership Framework

Membership Category	Tiers	Annual Revenue	Membership Fee	Voting Rights
Operating	Full Member	Above \$50 million	\$10,000	4
	2	\$10-\$50 million	\$5,000	3
	3	Below \$10 million	\$2,500	2
Non-Operating	4	Power Developers	\$1,000	1
Consultants and Academics	Associate Member	Interested experienced professionals	\$100	0

2. **Fees:** Non-refundable annual fees, due by 31st of December. Members in arrears for three (3) months lose voting rights and six (6) months arrears shall result in termination of membership.

ARTICLE 8 - Obligations and Rights of Members

- i. An applicant whose application for membership has been accepted shall be bound by the Constitution, rules and by-laws of the Company and of any branch or section, thereof, which are then in force, or which subsequently may be altered or amended and in force at any future time. No person shall be absolved from the effect and application of the Constitution, rules and by-laws by reason of the fact that he may not have received a copy thereof
- ii. Members elected into portfolios shall have a right to run for a term of office of two (2) consecutive terms and apply for renewal for one (1) term only
- iii. Rights and Obligations
 - Rights: Vote, contest elections and access APC resources
 - Obligations: Adhere to APC's constitution, pay fees and promote its objectives

ARTICLE 9 - Election of Members

- i. Elections for positions or portfolios shall be done at the Annual General Meeting. Any

member may nominate or recommend a member for a position and the appointment shall be done by the Company

- ii. The Chief Executive Officer of the Company shall be the presiding officer during the election of members into the Executive Committee
- iii. The Chief Executive Officer shall notify, in writing, any such person who has been elected into office
- iv. Other:
 - Nominations should be submitted 30 days prior to holding of the elections
 - Simple majority (50%+1) is required for resolutions
 - 2/3 majority is required for constitutional amendments

ARTICLE 10 - Voting

Voting rights shall be made according to the 5-Tier rule, with each being grouped according to annual turnover, as will be approved by the Council from time to time. The following shall be the voting rights allocated to each tier:

Tier 1.....shall have 4 Voting rights
Tier 2.....shall have 3 Voting rights
Tier 3.....shall have 2 Voting rights
Tier 4..... shall have 1 Voting right
Tier 5..... all Associate Members shall fall under this and shall have no voting rights at all

Election of members recommended or nominated into office shall be conducted by secret ballot. All decisions shall be conducted by secret ballot. All decisions shall be taken by at least three (3) quarters or 75% of the members present.

ARTICLE 11 - Resignations

Any member may resign his membership by giving 90 days' notice to the Chief Executive Officer of the Company.

ARTICLE 12 - Meetings

12.1 Annual General Meetings

- i. APC shall hold an Annual General Meeting once every year and it will be held every March with 60 days' notice
- ii. The Annual General Meeting shall be held to review the annual reports of activities and effectiveness of APC, the audited accounts and the forecasted operating budget as well as the business plan submitted by the Executive Committee

12.2 Special Meetings

APC may hold a special Council Meeting at the instance of the Chairperson, Executive Committee or whenever requested by at least half of the members. One month's notice shall be given for such a meeting and approval by 50% of members.

12.3 Expenses of Attending Meetings

The expenses of attending Annual General Meetings and special meetings shall be borne by individual members. However, the costs of attending any other meetings, workshops and conferences specifically requested by the Company, aimed at furthering its interests, shall be borne by the Company.

ARTICLE 13 - Settlement of Disputes

Any dispute arising between members concerning provisions of the constitution, which cannot be settled amicably, shall be referred to an appointed sub-committee that shall delve into the matter and report to the Executive Committee or Council or as may be specified in their Terms of Reference.

1. Mediation: The Executive Committee mediates disputes
2. Arbitration: Unresolved issues go to a neutral arbitrator approved by both parties

ARTICLE 14 - Dissolution of the Company

The Company may be dissolved by a resolution by 75% majority of all members present and entitled to vote at such a meeting.

75% majority vote shall also have the power to appoint a liquidator for the purpose of liquidating the Company's Assets and Liabilities in an acceptable manner. Liquidation is

overseen by an independent auditor appointed by the Council.

ARTICLE 15 - Entry into Force

These Articles shall enter into force when at least five (5) eligible members have signed. Any Company or Institution desirous of joining the Company after entry into force of the Articles of Company shall deposit its instruments of accession to these Articles to the depository of these Articles. In addition, Entry into Force will become effective upon ratification by 10 founding members (increased from five (5) for broader legitimacy).

ARTICLE 16 - Depository

This Constitution shall be deposited with the Chief Executive Officer, who shall transmit certified true copies, thereof, to all Members.