

# BY- LAWS



# **ASOCIACION DE PRODUCTORES DE ENERGIA RENOVABLE, INC.**

(RENEWABLE ENERGY PRODUCERS ASSOCIATION, INC.)

## **ARTICLE I - (Name and Location)**

Section 1: The name of this Association shall be:

## **ASOCIACION DE PRODUCTORES DE ENERGIA RENOVABLE, INC.**

("RENEWABLE ENERGY PRODUCERS ASSOCIATION, INC.")

Section 2: The principal mailing center of this Association shall be located at **1353 Ave. Luis Vigoreaux, PMB 681, Guaynabo, PR 00966**, or such other place as the Board of Directors may from time to time designate.

**ARTICLE II - (Jurisdiction)** Section 1: This Association shall operate for the benefit of The Renewable Energy Industry that includes: developers, builders, producers, installers, firms, professionals and corporations engaged in allied trades, industries, business and professions in the island of Puerto Rico.

## **ARTICLE III - (Mission)**

Section 1: The Mission statement of this Association shall be:

**“To promote real and effective economic growth through the stabilization and reduction of energy costs and expenditures for all consumers of electricity.”**

## **ARTICLE IV - (Objectives)**

Section 1: The objectives of this Association shall be:

- a) To promulgate and enforce a Code of Ethics to maintain high professional standards and sound business methods among its members.
- b) To secure joint action in advancing the purposes of the Association, uniformity and equity in business usages and laws, upon questions affecting the renewable energy industry, its producers, alternative energy sources and related areas within the jurisdiction of this Association.
- c) To participate in an exchange of information and experience with all other local affiliated associations related to construction activities, trade, business and energy.
- d) To carry out any other activities permissible to nonprofit corporations under the laws of the Commonwealth of Puerto Rico.

## **ARTICLE V - (Membership)**

Section 1: Membership in this Association shall be of three classes:

- a) Producer Membership
- b) Associate Membership
- c) Fellow Membership

Section 2: Qualifications for membership in this Association shall be as follows:

a) Producer Membership shall be open to any person, firm or corporation whose principal business is to develop, produce and/or sell renewable energy within the territorial jurisdiction of this Association, who shall agree to abide by the provisions of its By-Laws (and any amendments thereof), shall subscribe to the foregoing Code of Ethics, and who shall meet with the approval of the Board of Directors; and that, if a corporation, it must be entitled or duly authorized to do business in Puerto Rico.

b) Associate Membership shall be open to any person, firm or corporation whose principal business is to engineer, procure, contract and/or build projects for generation and/or storage of renewable energy, or related activities such as microgrids or interconnection, manufactures, sells and/or distributes any equipment related to the production, storage or distribution of renewable energy or is engaged in any allied trade, industry or profession within the energy industry and the territorial jurisdiction of this Association, who shall agree to abide by the provisions of its By-Laws (and any amendments thereof), shall subscribe to the foregoing Code of Ethics, and who shall meet with the approval of the Board of Directors; and that, if a corporation, it must be entitled or duly authorized to do business in Puerto Rico.

c) Fellow Membership shall be open to any person, small firm or corporation whose principal business is to provide services, consultancy or is engaged in any allied trade industry or profession supporting the energy industry in the territorial jurisdiction of this Association, who shall agree to abide by the provisions of its By-Laws (and any amendments thereof), shall subscribe to the foregoing Code of Ethics, and who shall meet with the approval of the Board of Directors; and that, if a corporation, it must be entitled or duly authorized to do business in Puerto Rico.

Section 3: Applications for Membership in this Association shall be made to the Board of Directors and processed in the following manner:

a) Candidate shall submit his application in writing on a form supplied by this Association containing an agreement to abide by the By-Laws and observe the Code of Ethics of this Association.

b) Every application must be accompanied by a payment in an amount sufficient to cover the Membership Fee. All payments so made shall be returned

in full if membership is not approved.

c) The Board of Directors shall evaluate and verify that the candidate has the capability and good standing to join the Association and fulfill the duties imposed by these By-Laws.

Section 4: Suspension, Termination, Reinstatement and Transfer of Membership in this Association shall be accomplished in the following manner:

a) Any member whose membership dues, fees, or assessments are not paid in full, within sixty (60) days after they become due and payable shall be suspended and/or censured immediately and its benefits, vote and committee participation will be terminated. Such suspension will be effective; (i) immediately upon thirty (30) day expiration of written notification of non-payment of membership fees and/or; (ii) by a majority vote of the Board of Directors.

b) After having been afforded a reasonable opportunity to be heard in connection with the matter, any member may be censured, suspended, or expelled from the Association if, in the opinion of the Board of Directors, as evidenced by a majority vote of such members of the Board, as are present at any meeting that may vote upon the matter, it shall be considered desirable or for the best interest of the Association or its members that said member be censured, suspended or expelled.

c) A vote of two-thirds (2/3) of the entire Board of Directors shall be required to reinstate any member who has been expelled or suspended, pursuant to the provisions of this Section, but if expelled a second time by reason of non-performance of his duties as a member, the member shall not be reinstated again.

d) Membership in the Association shall be terminated in any of the following cases:

1) On the date the member is dropped under (a) above; or

2) On the date the member is expelled under (b) above; or

3) If the member resigns, on the effective date of such resignation, and if no date is expressed, then on the date the resignation is accepted by the Board; or

4) If there is any change in the ownership or administration of a company which is an active member, that member shall abide by these By-Laws regardless of the change, unless the company notifies a resignation as

member, according to the procedure described in these By-Laws. Besides, no change in the name of the company shall authorize the admission to a new company or the modification in the name of the member. If the new company or a company with a new name, desires to be admitted as member, shall submit its application in that regard and notify the resignation of the previous company,

5) All members that desire to terminate their membership will be responsible for their membership fees until a written termination notification is certified as received by an authorized representative of the Association and is received via certified mail, hand delivery, fax or e-mail by association administrative personnel or an authorized representative. A regular verbal notification to that effect will not suffice to terminate membership.

e) In order to properly protect its members and the general public, the Board of Directors may publish from time to time lists of specific projects or developments sponsored by its members, lists of persons who cease to be members and lists of the projects which are transferred to nonmembers, as provided for in this Section.

Section 5: Meetings of the Membership shall be held as follows:

a) First Meeting of the membership will be held no later than 90 days after the Association accounts for its first 10 official members for the purpose of electing the First Board of Directors. An Interim Board of Directors will manage the affairs of the Association until this First Meeting.

b) An Annual Meeting of the membership of this Association shall be held before the first week of December of each year, for the purpose of electing the Board of Directors and reviewing the affairs of the Association for the past year. The specific date of each Annual Meeting, within the aforementioned period, shall be determined by the Board of Directors not later than September 30th of each year and shall be communicated to the membership within the following thirty (30) days.

c) Regular Meeting of the membership of this Association shall be held each month at the discretion of the Board of Directors or the President.

d) Special Meetings of the membership of this Association may be called at any time by the President of the Board of directors.

e) Notice shall be given of the date, hour and place of all meetings in writing to each member at least three days in advance.

## **ARTICLE VI - (Fiscal Year)**

Section 1: The fiscal year of this Association shall close on June 30th.

## **ARTICLE VII - (Dues, Fees, Assessment)**

Section 1: The Initiation Fee of this Association shall be determined by Resolution of the Board of Directors and payable at the time application for membership is made, such fee to be returned if the membership is not approved.

Section 2: The dues of this Association shall be payable as follows:

a) ANNUAL DUES: Each Producer and Associate member will pay an annual due on a per semester, monthly or trimester basis, as determined by Resolution of the Board of Directors.

b) SPECIAL OR EXTRAORDINARY DUES: Special or extraordinary assessments as approved by Resolution of the Board of Directors, may be required if the circumstances justify these charges, based upon an analysis of the resources needed by the Association to fulfill its objectives or goals.

Section 3: Cost of meals for all members and/or representatives of Member Companies at regular membership meetings shall be collected by the Association from members attending the meetings. The Board of Directors shall have the authority to fix charges for meals in the basis of current costs.

Section 4: All Dues, Fees, Assessments, and other amounts are payable upon invoicing, unless otherwise provided in these Bylaws or in the Resolution of the Board of Directors imposing special assessments.

Section 5: If Dues, Fees, Assessments, and other amounts are not paid within ninety (90) days of their due date, a penalty of 2% per month may be assessed and collected in addition to the amount due, until paid in full.

Section 6: If any amount is subject to a collection action, the debtor shall pay legal fees and costs of collection, including attorneys' fees.

Section 7: Upon signature of the Application for Membership, the member authorizes the Association to charge the Dues, Fees, Assessments, and other amounts due by the member directly to the credit card of the member.

## **ARTICLE VIII - (Membership Card and Emblem)**

Section 1: Each member shall receive a membership certification annually upon the payment of dues for the current year in such form as the Board of Directors shall prescribe.

Section 2: The official emblem of this Association must be notified to all members and shall be used on all its stationery and literature.

## **ARTICLE IX - (Board of Directors)**

Section 1: The Board of Directors shall consist of a maximum of fifteen (15) and a minimum of seven (7) Directors, as fixed by the Nominating Committee for each succeeding year, fifteen (15) days prior to the Annual Meeting. The Board shall be composed of members as follows:

a) Directors who are Producer Members shall be elected from the Membership at their Annual Meeting and shall hold office for two years from the date of election or until successors are elected and qualified, shall be the governing body of this Association and shall direct its affairs in such manner as is customary and according to law. A minimum of three fourths (3/4) of the Directors shall be Producer Members.

b) The immediate Past President shall be an Ex officio Member of the Board of Directors.

c) Directors who are Associate Members shall be elected by the Membership and shall hold office for one year from the date of election or until successors are elected and qualified and shall participate in the government and direction of the affairs of this Association. A maximum of one fourth (1/4) of the Directors as fixed by the Board of Directors shall be elected from the Associated Membership.

Section 2: The President, Vice President, Secretary and Treasurer shall be elected by the elected Directors among themselves, provided, that such Officers shall be elected from the Producer Membership.

Section 3: Vacancies on the Board occasioned by death or resignation shall be filled by appointment of the President; the persons so appointed shall serve until the next Annual Meeting of the Membership.

Section 4: Meeting of the Board of Directors shall be held as follows:

a) An Annual Meeting of the Board of Directors of the Association shall be held immediately following the Annual Meeting of the Membership for the purpose of electing officers and such other matters as may properly come before them.

b) Regular Meetings of the Board of Directors shall be held each month or every other month, at the discretion of the Board.

c) Special Meetings of the Board of Directors may be called by the President or upon formal request in writing of five of its members.

d) Notice of the date, hour and place of all meetings must be given to the Directors at least three (3) days in advance.

e) Board members are required to make every effort possible to attend all board meetings. Any Board member that accumulates three unexcused absences will automatically lose his position on the Board.

**The participation in Board meetings is personal, direct and under no circumstances may be transferred. In other words, no person who is not a Member of the Board has the authority to represent a member of the Board, regardless of the reasons for the absence.**

f) Attendance by Directors to Board meetings, monthly membership meetings and events is compulsory. Therefore, those events will be billed to every director as part of their duty.

g) Regular or special meetings of the Board can be held through videoconference or teleconference. In those instances, this should be duly stated in the official minute.

#### **ARTICLE X - (Officers)**

Section 1: The following officers shall be elected from the Producer Membership by the Board of Directors at their Annual Meeting and shall hold office for a term of two (2) years from the date of election or until their successors are elected and duly qualified:

a) A President who shall be the chief officer of this Association and shall preside all meetings including those of the Board of Directors. He shall be the official spokesman of this Association, if any alternative spokesperson one has not been appointed by him, in matters of public policy. He shall appoint all committees, except the Nominating Committee, shall be an ex-officio member of all committees, except the Nominating Committee, and shall perform all other duties usual to such office and shall have the authority to take the administrative and institutional measures necessary to achieve the common goals of the Association and its membership. . The President will also have the authority to oversee, authorize and lead the administrative operations and personnel of the Association, with the assistance of the personnel recruited by the Association.

b) A Vice President who shall, in the absence of the President, or upon his direction, perform all of the duties of the President.

c) A Treasurer who shall be responsible, in a joint effort with the President, to the Association for an accounting and budget of all monies collected and disbursed by the Association and for an annual statement to the membership.

d) A Secretary who shall keep a record of all the official proceedings of this Association and its Board of Directors, including the reports of special committees.

Section 2: The following administrative officers and staff may be employed by the Board of Directors at such rate of compensation as they deem fair and proper.

a) An Executive Officer and Spokesperson who shall serve as the chief administrative head of this Association.



Duties: It shall be the duty of the Executive Officer to supervise the entire staff and perform such other duties as may be delegated to him by the Board of Directors or the President, and all other duties usual to such office. The Executive Officer shall be empowered to employ, with the previous authorization of the President, an adequate staff to carry on the business of this Association as instructed by the Board of Directors, at such rates of compensation as they may deem fair and proper, within the limitations of the annual budget.

b) Professional services as may be deemed necessary by the Board of Directors, including but not limited to Legal and Legislative Counsel, Public Relations Consultants, Economists, and other professionals.

## **ARTICLE XI - (Voting, Proxies and Quorums)**

Section 1: The Voting Privilege shall be limited as follows:

a) At Meetings of the Membership only Producer and Associate Members in good standing shall have the right to vote, except as hereinafter provided. Firms, corporations or partnerships holding Membership shall be entitled to only one (1) vote to be cast by a duly designated representative.

b) At Meetings of the Board of Directors only members of the Board, including ex-officio members shall have the right to vote.

c) At any meeting of the Membership in which special assessments are to be submitted for approval all members in good standing present, both producers and associates, if associates are to be assessed, shall have the right to vote on the matter of the assessments.

Section 2: Votes may be cast by Proxy in the following manner:

a) Any member entitled to vote may, by an instrument in writing bearing a date not more than thirty (30) days in advance of the meeting, designate another member to vote for him in his place instead at any meeting of the membership.

b) Any member of the Board of Directors may, by an instrument in writing bearing a date not more than thirty (30) days in advance of the meeting, designate another Director to vote for him in his place instead at any meeting of the Board of Directors.

Section 3: A Majority Vote on any measure will be determined as follows:

a) A vote of over fifty (50%) of their Producer Members present at any meeting of the membership shall carry any measure, provided the number of Producer Members in attendance at the meeting constitutes a quorum.

b) A vote of over fifty (50%) of the Directors present at any meeting of the Board of Directors shall carry any measure provided the number of Directors in attendance at the meeting constitutes a quorum.

c) A vote of over fifty percent (50%) of all members present at any meeting of the membership, in which special assessments are to be submitted for approval, shall carry any measure provided there is a quorum present as defined below.

Section 4: A quorum present at any meeting shall be determined as follows:

a) A Quorum of the Membership shall consist of not less than one third (1/3) of the Producer Members of this Association.

b) A Quorum of the Board of Directors shall consist of not less than five (5) members of whom there shall be present a minimum of three (3) Producer Members. In the event action cannot be taken due to lack of quorum at a Board meeting, matters on the Agenda may be resolved by those Directors present at a subsequent meeting called for this purpose, provided there is a minimum of three (3) Producer Members.

## **ARTICLE XII - (Elections)**

Section 1: The Nominating Committee shall:

a) Within seven (7) days of its appointment and no less than 15 days before the Annual Meeting, solicit the recommendations of the membership, both Producer and associate, as to candidates for each directorship and office to be elected by them respectively.

b) Prepare and send to each member at least five (5) days prior to the Annual Meeting of the Membership a preliminary Member Report containing one nomination for each directorship and office to be filled.

c) Make substitute nominations where any candidate declines the nomination and present their "Final Report on Nomination of Officers" at the applicable Meeting of the Board of Directors.

Section 2: At the annual meeting additional nominations for Directors and Officers may be from the floor upon a motion carried by a majority vote. Otherwise the nominations shall be considered closed.

Section 3: Acceptance of the Report of the Nominations Committee by the membership shall constitute election of the Directors so nominated, and acceptance of the Report of the Nominating Committee by the Board of Directors shall constitute the election of the Officers so nominated.

Section 4: If additional nominations are made from the floor for Directors, members so entitled shall vote by secret ballot. The candidates receiving the most votes shall be considered elected.

Section 5: In the event that more than two candidates are named for any one office, a majority of the Directors voting shall be necessary to elect. In the event such majority is not obtained, then a second vote shall be taken upon the two leading candidates.

### **ARTICLE XIII - (Committees)**

Section 1: There shall be the following committees:

- a) The Nominating Committee shall be composed of five (5) members, not less than three (3) of which shall be producer members, appointed from the membership of this Association by the Board of Directors, at least thirty (30) days in advance of the Annual Meeting of the Membership. The immediate Past President shall be one of the five (5) members of the Committee, except in cases where the immediate Past President and the current President are one and the same. Members of the Nominating Committee may become nominees for office themselves.
- b) The Membership Committee shall be composed of five or more members, both builder and associate, and shall meet upon call of the Chairman. At least four (4) members shall constitute a Quorum. In addition to building the membership it shall have the responsibility of investigating all applications for membership and recommending action to the Board of Directors.
- c) Other Committees. There shall be such other committee as may be designed by the Board of Directors or the President, the members of which shall be appointed by the President.

### **ARTICLE XIV - (Finance)**

Section 1: Dues and other monies collected by this Association shall be placed in a depository selected by the Board of Directors, and payments from the funds of this Association shall be made on at least any two signatures authorized by the Board of Directors, selected only from the directors.

Section 2: The Board of Directors shall adopt a budget for each calendar year, and this Association shall function within the total of such a budget. Any expenditure in excess of such budget must be authorized or ratified by the Board of Directors.

Section 3: The Treasurer, and other Officers and members of the staff handling the funds of this Association shall furnish a bond at the expense of the Association in such amount as the Board of Directors shall determine.

Section 4: There shall be an annual audit of the finances of this Association by an independent auditor chosen by the Board of Directors, and this report together with an annual report from the Treasurer shall be submitted to the Board of Directors, no later than August 15th of each year.

### **ARTICLE XVII - (Notices)**

Section 1: Members shall furnish the Executive Officer with their official address and the mailing of any notice or notices to such address shall be deemed service of such notice or notices upon them as of the date of mailing the same. Members shall update their contact information whenever there is a change of this information.

## **ARTICLE XVI - (Rules of Procedure)**

Section 1: Roberts' Rule of Order shall govern the procedure of all meetings of the Association.

## **ARTICLE XVII - (Non-Collusion Policy)**

The Association will not condone, and in fact vehemently condemns, any conduct from any of its members that could result in a violation of the antitrust statutes for its participation in this association. All members must refrain, either directly or indirectly, from any form of collusion or anticompetitive conduct as part of their respective participation in this association. Thus, the Association shall not be used for the purpose of bringing about, or attempting to bring about, any explicit or implicit understanding or agreement among competitors with regards to prices, terms or conditions of sale, territories, customers, suppliers or other aspects of competition. The foregoing shall not preclude the distribution to members of general policy statements and general advisories regarding matters that concern to members which do not impose or endorse a specific course of action among members. No Association meeting, activity or communication shall include any discussion of pricing methods, terms or conditions of sale, allocation of territories or customers, joint refusals to deal with suppliers or customers, or other aspects of competition. Individual companies' future sales plans will not be revealed nor should they be discussed amongst members. This includes that no Association meeting, activity or communication shall include any discussion that might be construed as an attempt to prevent any business entity from gaining access to any market or customer for its products or services, prevent any business entity from obtaining products and services freely in the market through competition.

A copy of this statement shall be notified immediately to each member through an authorized representative and to prospective members, this notice shall be included in the admission documents.

Any person, including without limitation, any employee of any member and any employee of the Association, should promptly report any suspected violation of the antitrust laws or of this Statement of Non-Collusion to the Association's counsel or the Executive Director. All such reports will be treated confidentially, and the Association will not retaliate against any member or employee for making any report. Any member, officer director and/or employee who participates in any conduct in violation of the antitrust laws or of this Statement of Non-Collusion shall be subject to disciplinary action, which can include up to, and including, the expulsion from the Association or termination of membership or employment, as deemed appropriate by the Association's Board.

## **ARTICLE XVIII - (Amendments)**

Section 1: These By-Laws may be adopted or amended by a vote of a half (1/2) of the Producer Members present at any meeting provided the number of Producer Members in attendance at such meeting constitutes a quorum, and provided further, that a copy of the proposed amendments shall have been mailed to each member of the Association not less than five days prior to the meeting at which action is to be taken thereon.

Section 2: In the event action cannot be taken due to lack of quorum at the meeting, these By-Laws may be amended or replaced, or new By-Laws may be made and adopted if two thirds of the total number of Producer Members consent in writing that such action be taken, and waive the meeting at which said amendment would have been voted.