

**DECREE-LAW No. 29/2020
of 22 July 2020**

**CREATES THE STATE-OWNED
ELECTRICITY COMPANY OF TIMOR-LESTE
AND APPROVES ITS STATUTES**

The electricity sector is one of the pillars of the country's economic development and a privileged instrument for the promotion of security and welfare of the population, and should therefore be considered an essential public service.

After the various investments made over the years that have enabled the supply of electricity in much of the country, the government decided to create a set of structuring measures for a reform of the electricity sector aimed at the expansion and modernization of the National Electricity System, as well as the implementation of management aimed at providing an improved public service, raising the standards of quality and reliability at affordable prices, taking into account the viability and sustainability of operations.

To achieve this goal, both past experiences and examples of best international practices have shown that services in the area of electricity should be implemented and managed by an autonomous public entity dedicated exclusively to the sector, relying on its staff with specialized human resources and framed within a hierarchy of its own. This is the reason for the creation of a public company whose mission is focused on the provision of a public electricity supply service through investment in the expansion, management and supervision of electricity supply infrastructure throughout the territory, including the production, transmission, distribution and sale of electricity, thus ensuring a higher quality of service.

With the creation of this public company, the Government establishes an institutional reform of the energy sector aiming to achieve self-sustainability through its activities, which will be possible after the investment in human and material resources, also proceeding with the modernization of the sector through an entity dedicated exclusively to the public service of energy supply.

Thus, the Government decrees the following, pursuant to Article 115(3) of the Constitution of the Republic, to be valid as law:

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Object**

Electricity of Timor-Leste, E.P., abbreviated as EDTL, E.P., is hereby established.

**Article 2
Nature**

1. EDTL, E.P. is a public legal person, integrated in the indirect administration of the State, in the form of a public company, with legal personality and judicial capacity, administrative autonomy, financial autonomy and its own assets.

2. EDTL, E.P. shall be governed by this decree-law, by its statutes and subsidiarily by the legal regime for public companies as laid down in Decree-Law No. 14/2003 of 24 September, as amended by Decree-Law No. 10/2005 of 21 November.

Article 3

Headquarters and Branches

EDTL, E.P. has its headquarters in Dili and carries out its activities throughout the national territory. It may have delegations or representations within the national territory.

Article 4

Mandate

1. The EDTL, E.P. shall propose, monitor and ensure the execution of the national policy for the energy sector, guaranteeing the sustainable and integrated management of the production, transmission, distribution and sale of electricity, namely through the establishment and provision of public electricity supply services.
2. The EDTL, E.P., shall also pursue the following attributions
 - a) To support the Government in the definition of the energy resources policy;
 - b) To propose to the Government the approval of the National Electrification Plan;
 - c) To propose the creation and delimit, inventory and maintain the register of channel spaces, servitude zones and *non aedificandi* strips of the National Electricity System;
 - d) Promote the efficient use of electricity;
 - e) Ensure the public service of supplying electricity for consumption under the terms of article 13, through the design, construction, operation and management of the National Electricity System throughout the national territory, composed of all infrastructures, installations and equipment for the production, transport, distribution, connection and sale of electricity to the consumer;
 - f) Promote continuous improvement in the quality of the electricity supply, through plans and programs to be developed for this purpose;
 - g) Implement an integrated automation and communication system between the various electricity supply infrastructures
 - h) Establish control and inspection measures for the elimination of illegal connections;
 - i) To carry out import and export activities of electric power, under the terms defined by the government.

Article 5

Supervision and Superintendence

The member of the Government responsible for the electric power sector shall exercise powers of supervision and superintendence over the bodies of EDTL, E.P..

Article 6

Statutes

The statutes of EDTL, E.P. are published in the annex to this statute and are an integral part of it.

Article 7
Structure of EDTL, E.P.

EDTL, E.P. is made up of the following corporate bodies

- a) The Board of Directors;
- b) The Executive Committee;
- c) The Supervisory Board.

Article 8
Staff

1. The recruitment, selection and hiring of EDTL, E.P. staff shall be carried out by the Executive Committee in accordance with the staff map approved by the Board of Directors.
2. The performance of duties of EDTL, E.P. employees shall be governed by the individual employment contract regime defined by Law no. 4/2012, of 21 February, and public law rules on fixed-term contracts shall apply to recruitment, with the necessary adaptations.
3. Employment contracts to be signed shall be subject to the legal norms of labor regulation, collective bargaining agreements under private law and other norms that are part of the company's personnel statute.

Article 9
Transmission of rights and obligations

1. EDTL, E.P. shall succeed to all rights and obligations of the State constituted under the scope of the execution of the material tasks of the Directorate General of Electricity of the Ministry of Public Works, which shall be deemed extinguished upon the appointment of the members of the Board of Directors.
2. State movable or immovable assets allocated to the Directorate General of Electricity of the Ministry of Public Works shall become part of EDTL, E.P.'s own assets and shall be administered by it.
3. The assets referred to in the preceding paragraph include all infrastructure and equipment allocated to the generation, transmission, distribution and sale of electricity.
4. The list of assets and rights that constitute the assets of EDTL, E.P. shall be set out in a joint ministerial decree from the member of the government responsible for public finance and the member of the government responsible for the electricity sector, to be approved within 20 days of the date on which this decree-law comes into force.

Article 10
Statutory capital

The statutory capital of EDTL, E.P. is US \$ 94,424,461 (ninety-four million, four hundred and twenty-four thousand, four hundred and sixty-one US dollars), subscribed and paid in from the General State Budget.

Article 11
Register

Within 30 days of this decree-law coming into effect, EDTL, E.P. shall register its constitution, according to the legal terms, with the commercial registry services.

CHAPTER II

SPECIAL PROVISIONS

Article 12

Procurement and public contracts

1. The discipline contained in the Legal Regime of Provisioning and the Legal Regime of Public Procurement applies to EDTL, E.P., with the specialties contained in the following numbers.
2. The minor capital expenses for the acquisition of goods necessary for the repair and replacement of components integrating the electric power supply network infrastructures can be ensured by performing the provisioning procedure of request for quotes.
3. It is EDTL, E.P.'s responsibility to approve the provisioning procedures and sign the public contracts in which EDTL, E.P., respectively, appears as the adjudicating entity and public contractor.
4. The verification and control of the provisioning and contractual execution are carried out by the services of EDTL, E.P., excluding the application of Decree-Law no. 11/ 2011, of March 23, and 14/2011, of March 30, subject only to the supervision of the Chamber of Auditors of the High Administrative, Tax and Audit Court, according to the law.

Article 13

Public electricity service

In pursuance of its duties to provide the public service of generating, transporting, distributing and selling electricity, EDTL, E.P.:

- a) Ensures the supply of electricity under the best conditions of quality, continuity, efficiency and economy of service;
- b) Promotes the management, operation, maintenance and development of infrastructures and equipment allocated to electricity services, with a view to their technological updating and renewal, whenever opportune and economically viable;
- c) Observes the principle of equal treatment of users of the public electricity service, under the terms of the applicable legal and regulatory provisions.

Article 14

Powers of Authority

1. For the pursuit of the public service of generation, transmission, distribution and sale of electricity, EDTL, E.P. shall exercise the powers of authority legally conferred upon it, namely those of:
 - a) To request the member of the Government responsible for the electricity sector to take steps, pursuant to Law No. 8/2017, of 26 April, for expropriation for public utility and administrative easements for the occupation of land for the placement of electricity generation, transmission and distribution infrastructure, including, among others, power plants, substations, safety zones and transmission and distribution towers and poles;
 - b) Proceed with the enforcement of claims due as a result of non-payment of tariffs, income from services rendered and other claims;
 - c) To ensure the protection of its facilities and its staff under the terms of the law;

- d) Exercise protective powers, namely with regard to measures restricting activities and the use of public domain land, as well as private domain land, whenever justified to safeguard the National Electricity System and the respective installations.
- 2 EDTL, E.P. shall also be responsible for supervising compliance with the applicable laws, regulations, standards and technical requirements within the scope of its duties.
- 3. For the purposes of the preceding paragraphs, the bodies of EDTL, E.P. shall be empowered, directly or through qualified persons or entities accredited by them, to carry out the necessary inspections, supervision, examinations and checks and, to this end, shall enjoy powers of authority.
- 4. In the pursuit of its duties, EDTL, E.P. shall assume the rights and obligations attributed to the State in relation to public domain assets under its administration under the terms of this statute and its Statutes or other legal acts especially applicable to it.

CHAPTER III TRANSITIONAL AND FINAL PROVISIONS

Article 15 Installing committee

- 1. The Installing Commission of EDTL, E.P. is hereby established, under the supervision of the minister responsible for the electricity sector, which shall be responsible for organizing the process of setting up the company, namely its organic competences, personnel, assets and documentation, and the process of installing its bodies and services, so that its full operation may begin with the appointment of the Board of Directors.
- 2. The Installing Commission shall be responsible for
 - a) Draw up the regulations concerning the organization and functioning of EDTL, E.P.;
 - b) Drawing up the EDTL, E.P. staffing plan and recruiting staff;
 - c) Opening bank accounts in accordance with the law;
 - d) Preparing the annual plan, the budget proposal and the supply plan; e) Preparing the final report on the transition and installation activities of the EDTL, E.P.
- 3. The Installing Commission shall be presided over by a coordinator, appointed from among its members.
- 4. The Installing Commission shall be composed of:
 - a) One member appointed by the Office of the Minister of Public Works;
 - b) A member appointed by the President of the Civil Service Commission;
 - c) An official from the Directorate General of Administration and Finance of the Ministry of Public Works.
- 5. Independent experts with recognized experience in the regulation and supervision of the energy sector may be invited to participate in the work of the Installing Commission.
- 6. With the exception of the member appointed by the President of the Public Service Commission, the other members of the Installing Commission and its coordinator shall be appointed by order of the member of the Government responsible for the electricity sector.

7. The meetings of the Installing Commission shall be convened by its coordinator, in writing, at least five days in advance.
8. The Installing Commission shall cease to exist on the date on which the members of the Administrative Council are appointed.

Article 16

Transfer of contractual position

The position of public contracting party in contracts administered by the Directorate-General for Electricity of the Ministry of Public Works relating to the execution of works or the provision of services which have as their object the infrastructures of the National Electricity System, as well as in contracts with users for the provision of public electricity supply services, shall be transferred to ECTL, E.P.

Article 17

Subsidiary regime

ECTL, E.P. shall be governed by all legislation applicable to public companies in all matters not expressly provided for in this statute.

Article 18

Entry into force

This decree-law and the attached statutes shall enter into force thirty days after the date of their publication.

Approved by the Council of Ministers on March 11, 2020.

The Prime Minister,

Taur Matan Ruak

The Minister of Public Works,

Salvador Eugénio Soares dos Reis Pires

Promulgated on July 20, 2020

Be it published.

The President of the Republic,

Dr. Francisco Guterres Lú Olo

ANNEX
(referred to in article 6)

ARTICLES OF ASSOCIATION OF
ELETRICIDADE DE TIMOR-LESTE, E.P. (EDTL, E.P.)

CHAPTER I
GENERAL PROVISIONS

Article 1
Nature

1. EDTL, E.P. is a public legal person, part of the State's indirect administration, in the form of a public company, with legal personality and judicial capacity, administrative autonomy, financial autonomy and its own assets.
2. The legal capacity of EDTL, E.P. shall comprise all rights and obligations necessary for the pursuit of its tasks.

Article 2
Headquarters and branch offices

1. EDTL, E.P. shall pursue its activities throughout the national territory.
2. EDTL, E.P. shall have its headquarters in Dili and may have delegations or representations within the national territory.

Article 3
Applicable Law

EDTL, E.P. shall be governed by these statutes and, on a subsidiary basis, by the legal framework for public companies provided for in Decree-Law No. 14/2003 of September 24, as amended by Decree-Law No. 10/2005 of November 21, and by all other applicable legislation.

Article 4
Oversight authority and Superintendence

The bodies of EDTL, E.P. shall be subject to the exercise of supervisory and oversight powers by the member of the Government responsible for the electricity sector, who shall be in charge of:

- a) Defining guidelines and issue general directives, within the scope of the country's electric power sector policy;
- b) Approving EDTL, E.P.'s account reports, to be submitted by its Board of Directors;
- c) Approving the EDTL, E.P. budget, as well as the management accounts, annual and multi-annual plans, supply plan and activity and accounts reports, to be submitted by the Board of Directors of EDTL, E.P.;
- d) Authorizing the signing of cooperation protocols with other national or international entities;
- e) Proposing to the Council of Ministers the appointment and removal of the Chairperson of the Board of Directors of EDTL, E.P.;
- f) Appointing and discharging from office the other members of the Board of Directors of EDTL, E.P.;
- g) Approving the remuneration framework, submitting to the Council of Ministers the proposed amendments to these statutes and ratifying the internal regulations of EDTL, E.P. proposed by the Board of Directors;

- h) Approving the creation of delegations or representations within the national territory, on the proposal of the Board of Directors of EDTL, E.P;
- i) Ordering internal and external audits of the management of EDTL, E.P., without prejudice to inspections falling within the remit of public institutions, under the terms of the applicable law;
- j) Authorizing EDTL, E.P. to contract bank loans proposed by the Board of Directors, to be published by joint ministerial decree with the minister responsible for public finance;
- k) Performing such other acts as are legally required of it.

Article 5

Mandate

1. EDTL, E.P. shall propose, monitor and ensure the execution of national energy sector policy, guaranteeing the sustainable and integrated management of the production, transmission, distribution and sale of electricity, namely by establishing and providing public electricity supply services.
2. The EDTL, E.P., shall also pursue the following attributions
 - a) To support the Government in the definition of the energy resources policy; b) To propose to the Government the approval of the National Electrification Plan;
 - c) To propose the creation and delimit, inventory and maintain the register of channel spaces, servitude zones and *non aedificandi* strips of the National Electricity System;
 - d) Promote the efficient use of electricity;
 - e) To ensure the public service of supplying electricity for consumption, through the design, construction, operation and management of the National Electricity System throughout the country, comprising all infrastructures, installations and equipment for the generation, transmission, distribution, connection and sale of electricity to the consumer;
 - f) Promote continuous improvement in the quality of the electricity supply, through plans and programs to be developed for this purpose;
 - g) Implement an integrated automation and communication system between the various electricity supply infrastructures
 - h) Establish control and inspection measures for the elimination of illegal connections;
 - i) To carry out import and export activities of electricity, under the terms defined by the Government.

CHAPTER II

STATUTORY CAPITAL AND OTHER FINANCIAL RESOURCES

Article 6

Statutory Capital

The statutory capital of EDTL, E.P., is \$94,424,461 (ninety-four million, four hundred and twenty-four thousand, four hundred and sixty-one US dollars), subscribed and paid in by appropriation from the General State Budget.

Article 7

Financial participations

EDTL, E.P. may be authorized by a joint ministerial order from the ministers responsible for the area of public finance and the electricity sector to subscribe to financial holdings with a view to setting up a mixed capital company whose object is related to that of EDTL, E.P.

CHAPTER III ORGANIC STRUCTURE

SECTION I GENERAL PROVISION

Article 8

Bodies

The bodies of EDTL, E.P. are:

- a) The Board of Directors;
- b) The Executive Committee;
- c) The Audit Committee.

SECTION II THE BOARD OF DIRECTORS

Article 9

Nature

The Board of Directors is the deliberative collegial body of EDTL, E.P., responsible for defining the general direction of EDTL, E.P., in accordance with the sector policies approved by the Government.

Article 10

Powers

1. It shall be incumbent upon the Board of Directors to:
 - a) Approve and submit EDTL, E.P.'s internal regulations to the Government member in charge and supervising the bodies of EDTL, E.P.;
 - b) Approve the management policy and the strategic business development plan so as to ensure the efficient maintenance and conduct of activities in the field of electricity generation, transmission, distribution and sale;
 - c) Propose to the member of the Government that supervises and oversees the bodies of EDTL, E.P., the creation of delegations or representations within national territory;
 - d) Appraise and vote the activities plan and the annual financial plan, as well as the pluri-annual activities and investment programs, to be submitted to the Government member in charge and supervising the bodies of EDTL, E.P.;
 - e) Appraise and vote, by September 30th of each year, the annual activities plan and the respective budget for the following year;
 - f) Appraise and vote, until March 31 of each year, the balance sheet and accounts for the previous fiscal year and the corresponding opinion of the Audit Council;

- g) Appraise and vote the proposal for the application of the results of the previous year's fiscal year;
 - h) Approve the acquisition and alienation of financial investments when these are provided for in the approved annual budgets and within the limits established by law, in accordance with article 7;
 - i) To propose to the Government the approval of the National Electrification Plan;
 - j) Propose the creation and delimit, inventory, carry out and maintain the registration of channel spaces, servitude zones and *non aedificandi* strips of the National Electricity System;
 - k) Exercise any other competencies determined by law or administrative regulation.
2. It is incumbent upon the Chairman of the Board of Directors
- a) Represent ECTL, E.P., in and out of court, actively and passively, within the scope of the attributions conferred upon it;
 - b) To ensure relations with the member of the Government responsible for the electricity sector, providing all requested information, forwarding complaints, executing the respective decisions and submitting to its approval those matters that require it;
 - c) Exercise any other competencies that are attributed to it by law or administrative regulation.
3. 3. The Chairman of the Board of Directors may delegate his powers to the Vice Chairman or any of the members by means of an instrument of delegation that expressly indicates the powers delegated.

Article 11

Composition and appointment

1. The Board of Directors is composed of the following members
 - a) The Chairman;
 - b) The Vice-Chairman;
 - c) Five members.
2. The Board of Directors shall include a representative of the Ministry of Finance and a representative elected by the employees.
3. The President shall be appointed by the Council of Ministers, following a proposal by the member of the Government responsible for the electricity sector.
4. The other members shall be appointed by the member of the Government responsible for the electric power sector.
5. The term of office for members of the Board of Directors shall be four years, renewable for equal and successive periods of time.

Article 12

Functioning

1. The Board of Directors shall meet ordinarily once a month and extraordinarily when convened by its Chairman, under the terms defined in the respective internal regulations, with a quorum of at least four members.

2. Decisions of the Board of Directors shall be taken by a simple majority of the votes of the members present; in case of a tie, the Chairman shall have a casting vote.
3. The Chairman of the Board of Directors shall be replaced, in his absence or impediments, by the Vice-Chairman.
4. Any of the other members may be represented at meetings of the Board of Directors by another member, upon written notice to the President.

Article 13

Termination of office

The members of the Board of Directors shall cease their term of office:

- a) By the expiration of the respective term of office, unless it is renewed;
- b) By dismissal of the President, by deliberation of the Council of Ministers,
- c) By dismissal of the remaining members, by order of the Government member responsible for the electric power sector;
- d) By resignation of its members;
- e) By expiry, in the event of the dissolution of EDTL, E.P., in accordance with the law.

SECTION III

THE EXECUTIVE COMMITTEE

Article 14

Nature

The Executive Committee is the executive collegial body of EDTL, E.P.

Article 15

Powers

1. The Executive Committee shall be responsible for
 - a) Plan, coordinate and direct, internally and externally, the activities of EDTL, E.P., with a view to the pursuit of its attributions;
 - b) To prepare EDTL, E.P.'s internal regulations and submit them to the Board of Directors for approval;
 - c) Ensuring compliance with internal regulations and disciplinary rules by EDTL, E.P. employees
 - d) Ensuring the preparation of the EDTL, E.P. budget, as well as the management accounts, annual and multi-annual plans, procurement plan and activity reports and accounts, and submitting them for approval by the Board of Directors;
 - e) To ensure administrative and logistical support to the Board of Directors;
 - f) Ensuring the execution of EDTL, E.P.'s budget, approving the execution of expenses duly budgeted;
 - g) Proposing to the Board of Directors the constitution of provisions, reserves and funds;
 - h) Managing EDTL, E.P.'s assets, including the acquisition and disposal of goods, when these are provided for in the approved annual budgets and within the limits of the law;

- i) Opening bank accounts for funds allocated to EDTL, E.P;
 - j) Appointing and dismissing those responsible for the services, as well as hiring the necessary staff for the execution of EDTL, E.P.'s competences, and exercising the respective disciplinary power over them, in accordance with the applicable legal terms;
 - k) To adopt the necessary measures to ensure continuous improvement of the quality of electricity supply, through the execution of action plans that integrate programs for maintenance, recovery and expansion of existing infrastructures and the construction of new infrastructures;
 - l) To coordinate and supervise the activities of the organic units of EDTL, E.P., with a view to executing the approved plans, monitoring proper compliance with service orders and instructions;
 - m) To ensure the implementation of an effective system for serving the public with users of electricity supply services;
 - n) Ensure the management of the National Electricity System, as well as the supervision of public electricity supply systems;
 - o) Exercise other competencies which are attributed to it by law or administrative regulation.
2. It is incumbent upon the Chief Executive Officer to
- a) Authorize the provisioning and adjudicate and sign public contracts, under the terms of the law;
 - b) Negotiate and sign cooperation protocols with other national or international entities, after obtaining the authorization for the effect from the Government member that supervises and superintends EDTL, E.P.'s bodies.

Article 16

Composition and Appointment

1. The Executive Committee is composed of a president and two members, appointed by the Government member responsible for the electric power sector.
2. The appointment of members of the Executive Committee is preceded by a recruitment process based on merit selection, including criteria of experience, suitability and gender equality.
3. The term of office for members of the Executive Committee shall be four years, renewable for equal and successive periods of time.

Article 17

Functioning

1. The Executive Committee meets ordinarily once a week and extraordinarily when convened by its President, under the terms defined in its internal regulations.
2. Decisions of the Executive Committee are taken by a majority of two votes of the members present.
3. The President of the Executive Committee shall be replaced, in his absence or impediments, by the member designated by him for that purpose.
4. Any of the other members may be represented at meetings of the Executive Committee by another member, by means of written communication to the President.

Article 18
Termination of office

The members of the Executive Committee cease their term of office

- a) By the expiration of their term of office, unless it is renewed;
- b) By dismissal by the Government member responsible for the electric power sector;
- c) By resignation of its members;
- d) By expiration, in the event of dissolution of EDTL, E.P., in accordance with the law.

SECTION IV
THE SUPERVISORY BOARD

Article 19
Nature

The Supervisory Board is the supervisory body of EDTL, E.P. and is responsible for ensuring compliance with the legal, statutory and regulatory norms applicable to the company and supervising its financial and asset management.

Article 20
Powers

1. The Fiscal Council shall be responsible for:

- a) Verifying the legality of the acts of the other bodies of EDTL, E.P.;
- b) Monitoring the execution of the plan and activity programs;
- c) Periodically examining the company's accounts and budget implementation;
- d) Giving an opinion on criteria for the valuation of assets, amortization and reintegration of capital, the establishment of provisions and reserves and the determination of financial results;
- e) Issuing a detailed opinion on the balance sheet, report and accounts of the Board of Directors;
- f) Giving an opinion on the company's performance and financial management and on the achievement of planned results and benefits;
- g) Supervising the financial and budgetary management of the other bodies of EDTL, E.P.;
- h) Issuing an opinion on the acquisition, sale or encumbrance of immovable or movable assets subject to registration by EDTL, E.P.;
- i) Informing the relevant bodies of irregularities found in the company's management and proposing the necessary corrective measures;
- j) Exercising any other competences conferred by law or administrative regulations.

2. For the exercise of its competences, the Fiscal Council

- a) Requests from the Board of Directors documents, information and clarifications on the activities of EDTL, E.P.;
- b) Propose external audits;
- c) Inform the Government member in charge and supervising the bodies of EDTL, E.P. of any management irregularities.

3. The Chairperson of the Supervisory Board may attend or be represented by a member at meetings of the Board of Directors.

Article 21

Composition and appointment

1. The Fiscal Council shall be composed of three members, one of whom shall be the chairman.
2. The members of the Supervisory Board shall be appointed by the member of the Government responsible for the area of public finance, after hearing the member of the Government responsible for the electricity sector.
3. The term of office for members of the Supervisory Board shall be four years, renewable for equal and successive periods of time for a maximum of two renewals.
4. The Supervisory Board may be assisted by contracted external auditors.
5. The appointment of the members of the Fiscal Council must obey criteria of recognized technical capacity, suitability, impartiality and exemption.

Article 22

Functioning

1. The Audit Committee meets ordinarily once every quarter and, extraordinarily, whenever its chairman convenes it, on his own initiative or at the request of another member.
2. It is incumbent upon the Chairman of the Audit Committee to preside over the meetings of the Audit Committee, coordinate its activity and ensure the correct execution of its resolutions.
3. The Chairman of the Audit Committee shall be replaced, in his absence or impediments, by the member he appoints for the purpose.
4. Any of the other members may be represented at meetings of the Audit Committee by another member, upon written notice to the chairman.
5. Decisions shall be taken by a majority of two votes of the members present.

Article 23

Termination of office

The members of the Board of Auditors shall cease their term of office:

- a) By the expiration of the respective term, unless it is renewed;
- b) By dismissal of the members by the Government member responsible for the area of public finance;
- c) Resignation of its members;
- d) By forfeiture, in the event of extinction of the EDTL, E.P., in accordance with the law.

SECTION V

DECLARATION OF PERSONAL ASSETS

Article 24

Declaration of assets

All members of the corporate bodies shall submit a statement of their assets before taking office.

Article 25

Legal deposit of the list of declared assets

The list of assets declared under the terms of the previous article shall be delivered in duplicate and one copy filed at the office of the minister responsible for the electric power sector and the other to be sent to the Court of Appeal.

SECTION VI

REMUNERATION REGIME

Article 26

Attendance and remuneration of the members of the Executive Board

The value of the attendance fees to be paid to the members of the Board of Directors and the Supervisory Board for the performance of their duties and the value of the remuneration of the members of the Executive Board shall be determined by Government decree.

CHAPTER IV

FINANCIAL AND REGIME OF ASSETS

Article 27

Principles of financial management

1. The management of EDTL, E.P. shall comply with the rules of the laws applicable to public companies and the principles of sound business management, ensuring the company's economic viability and financial balance in accordance with the national development plan and the pursuit of public interest.
2. EDTL, E.P.'s financial management shall be governed by the accountability documents provided for in the general law applicable to public enterprises with administrative, financial and patrimonial autonomy.

Article 28

Assets

The assets of EDTL, E.P. shall consist of all the property, rights, assets and liabilities described in the decree-law that creates it, plus those that it receives or acquires for or in pursuit of its duties.

Article 29

Revenue

1. The EDTL, E.P. shall have revenue from the direct provision of public sector services to users.
2. The following shall also constitute EDTL, E.P. revenue:
 - a) The appropriations from the General State Budget allocated to it;
 - b) The amount of fees and charges for certificates, certificates or other documents issued within the scope and in pursuance of its duties;
 - c) Subsidies, donations and contributions attributed by any public or private, national or foreign entities
 - d) The amounts resulting from the alienation of its own assets or the constitution of rights over them

- e) The income from its own assets;
 - f) The product of tariffs, fees, emoluments and fines that, under the terms of the law, are due to it;
 - g) Proceeds from the sale of editions;
 - h) The product of compensation for breakdowns or damage to its assets;
 - i) The inheritances, legacies or donations that are destined for it;
 - j) Any other revenue arising from the exercise of its activity or that, by law, contract or other title, is owed to it.
3. The revenue balances verified at the end of each year shall be carried over to the following year.

Article 30

Expenses

1. The expenses of EDTL, E.P. shall be those resulting from charges incurred in the pursuit of its duties, namely those related to its operation, namely staff, the acquisition of goods and services and capital expenditure.
2. The realization of any expenditure, for which the Executive Committee is responsible, must have its framework and provision in the budget of the year in which it is to be made.

Article 31

Management instruments

1. The following are EDTL, E.P.'s management instruments
 - a) The annual and multi-annual plans;
 - b) The provisioning plan;
 - c) The financial plan; d) The annual and multi-annual operating and investment budget;
 - e) The activity reports and accounts, under the terms of the law.
2. The multi-annual plans are updated each year according to the control, correction or adjustment of the actions, keeping in mind the objectives and results established.

Article 32

Planning

1. The company's economic and financial management shall be duly planned through the preparation of annual and multi-annual plans containing activity and investment programs, which shall be subordinate to national planning objectives and shall foresee the investments to be made, the sources of financing to be used, and the evolution of revenues and expenses.
2. The pluri-annual plans are updated every year and must reflect the company's long term strategy, integrating into the guidelines defined in the planning for the electricity sector.
3. The provisioning plans shall contain the needs for the acquisition of goods and services and the execution of works corresponding to the annual and multi-annual plans and the approved budget.

Article 33
Annual Budget

1. Each financial year operating and investment budgets shall be drawn up, by major items, to be submitted for approval to the member of the Government responsible for the area of public finance, following a proposal from the member of the Government responsible for the electricity sector.
2. Draft operating budgets and investment budgets shall be approved by the member of the Government responsible for the electricity sector.
3. The draft budgets referred to in the preceding paragraphs shall be forwarded by September 30th of each year to the member of the Government responsible for the electricity sector, who shall approve them by October 30th.
4. Without prejudice to the provisions of the preceding paragraphs, EDTL, E.P. shall send to the member of the Government responsible for the electricity sector, by 31 March of each year, a provisional version of the basic elements of the production and investment plans for the following year.
5. The annual budget shall include the projected operating profit and loss accounts as well as cash flow forecasts.

Article 34
Accounting

EDTL, E.P.'s accounting shall be organized so as to ensure maximum efficiency in achieving the company's objectives, in accordance with the requirements of its operations.

Article 35
Depreciation, reintegration and revaluation of assets

1. EDTL, E.P. shall ensure the reintegration of its assets in order to guarantee their renewal.
2. Revaluation coefficients and reintegration and depreciation percentages for EDTL, E.P.'s assets shall meet the criteria laid down by joint ministerial decree of the member of the government responsible for the area of public finance and the member of the government responsible for the electricity sector, following a proposal from the Board of Directors and an opinion from the Supervisory Board.

Article 36
Closing of the financial year

1. EDTL, E.P.'s accounts shall be closed annually with reference to 31 December and shall constitute an accurate assessment of its assets and show the operating and financial year's results by means of activity reports and accounts.
2. The Board of Directors shall forward the documents referred to in the preceding paragraph to the Supervisory Board by 10 March of each year, together with the report and proposed distribution of results.
3. The assessment of the elements referred to in the preceding numbers, as well as the opinion of the Supervisory Board, shall take place at a meeting to be held by March 25, following which they shall be submitted for the approval of the member of the Government responsible for the area of public finance and the member of the Government responsible for the electric power sector within the timeframe stipulated in Article 38(2).

Article 37

Constitution of reserves and funds

1. EDTL, E.P. may constitute such provisions, reserves and funds as the Board of Directors, on a proposal from the Executive Committee and after the Supervisory Board has given its opinion, deems appropriate, the constitution of a reserve for fixed assets being, however, mandatory.
2. Any income from contributions, donations or subsidies from which EDTL, E.P. may benefit for this purpose shall be allocated directly to investment reserves.

Article 38

Financial control and accountability

1. EDTL, E.P. shall, as of December 31 of each year, draw up the following documents of accountability:
 - a) Report of the Board of Directors giving an account of how the company's objectives were achieved and analyzing its efficiency in the various areas of its performance;
 - b) Balance sheet and income statement;
 - c) Discrimination of holdings in the capital of companies and medium and long term financing;
 - d) A statement of the origin of the application of funds.
2. The documents referred to in the preceding paragraph, as well as the opinion of the Supervisory Board, shall be sent by 31 March of each year to the member of the Government responsible for the electricity sector, who shall assess them and forward them within thirty days to the member of the Government responsible for the area of public finance, who shall have a further thirty days to approve them.
3. The documents shall be deemed tacitly approved in the absence of any decision within the established time limits.
4. The summary of the report and accounts of the Board of Directors, as well as the profit and loss account and the opinion of the Supervisory Board, shall be published in Series II of the Official Gazette after being approved by the member of the Government responsible for the area of public finance and by the member of the Government responsible for the electricity sector.

Article 39

Loans

EDTL, E.P. may take out short, medium and long-term loans provided for in periodic financing plans approved by a joint ministerial decree from the member of the government responsible for the electricity sector and the member of the government responsible for the public finance area.

Article 40

Supervision

The financial and asset supervision of EDTL, E.P. shall be ensured, under the terms of the law, by the Chamber of Auditors of the High Administrative, Tax and Audit Court.

CHAPTER V
INTERNAL REGULATIONS

Article 41
Internal Regulations

EDTL, E.P.'s internal regulations shall be approved by the Government member exercising supervision and superintendence powers over its bodies, as provided for by law and in these statutes, and shall be published in Series II of the Official Gazette.

CHAPTER VI
PERSONNEL

Article 42
Regime

1. The recruitment, selection and hiring of EDTL, E.P. staff shall be carried out by the Executive Committee in accordance with the staff map approved by the Board of Directors.
2. The performance of duties of EDTL, E.P. employees shall be governed by the individual employment contract regime defined by Law no. 4/2012, of 21 February, and public law rules on fixed-term contracts shall apply to recruitment, with the necessary adaptations.
3. The employment contracts to be signed are subject to the legal norms of labor regulation, collective labor agreements and other norms that are part of the company's personnel statute.
