



## **Appendix 2.1 Rules of Procedure**

This appendix suggests the Rules of Procedure for the BLOXHUB Board.

It is based on a set of standard Rules of Procedures delivered by BLOXHUB's lawyer Bruno Månsson, adjusted to BLOXHUB's situation.

### **Management proposal**

*The management proposes that the Board approves the Rules of Procedure.*



## Rules of procedure

### for the Board of Directors of BLOXHUB

#### 1. THE RULES OF PROCEDURE'S LEGAL BASIS

- 1.01. These Rules of Procedure are established pursuant to 6.06. of the Articles of Association.
- 1.02. The original shall be kept in the Association's minute book.

#### 2. CONSTITUTION OF THE BOARD OF DIRECTORS

- 2.01. Constitution and work plan  
Once a year, immediately after the month of May, the Board of Directors shall elect a Chairman and Vice-Chairman and in consultation with the directors of the Association, draw up a work plan for the Board's work over the coming year (annual wheel), including determining which items are to be taken up for discussion.
- 2.02. Acceptance of the Rules of Procedure  
A new member of the Board of Directors shall accept the Rules of Procedure with his signature.
- 2.03. Transmittal of Rules of Procedure  
Members of the Board of Directors, the Association's directors and the Auditors shall be provided with copies of the Rules of Procedure and the Articles of Association.

#### 3. CONDUCT OF MEETINGS

- 3.01. The Board of Directors shall meet when the Chairman deems it necessary or when requested by a member of the Board of Directors or by the director of the Association or Auditor. A reason for the meeting shall be provided.
- 3.02. Meeting schedule  
At least 3 board meetings shall be held every year of which one is a budget meeting and one is an accounts meeting c.f. 12.02.
- 3.03. Notice period  
The Chairman shall convene ordinary board meetings with 6 months' notice. Extraordinary board meetings should be convened with preferably four weeks' notice and, as far as possible, with one week's notice. Together with the notice of the meeting, the members of the Board of Directors shall receive a copy of the agenda and – to the extent necessary and possible – a copy of the accounts and any supporting documents. Notice of the meeting, the accounts and supporting documents as well as the minutes shall be sent to the members of the Board of Directors by ordinary or electronic post.



3.04. Venue  
Board meetings shall be held at the Association's offices or elsewhere, or through video conferencing or a conference call when the Chairman deems that the subject of the meeting or other circumstances make this appropriate.

3.05. Decisions without meetings  
In cases where, in the view of the Chairman, the holding of a board meeting cannot wait, the Board of Directors may decide by a written, electronic or telephone vote among the board members, c.f. 4.02-4.04

#### **4. MEETING MANAGEMENT**

4.01. The Chairman shall chair the Board meeting.

4.02. Quorum  
The Board forms a quorum when more than half of its members, including the Chairman, are present.

4.03. Voting procedures  
When voting, all resolutions are passed by a simple majority vote. In case of a tie, the Chairman has the casting vote.

4.04. With regard to the appointment and dismissal of directors of the Association and with regard to any amendment to these Rules of Procedure, it is a requirement that the Chairman votes in favour of the resolution.

4.05. Incapacity  
A board member may not participate in the consideration of any matters concerning agreements between the Association and the Board member in question, or concerning lawsuits against the member in question, or concerning agreements between the Association and a third party, or lawsuits against a third party if the member in question has a significant interest therein that may conflict with the Association. A final decision will be taken by the Board of Directors or if the Board of Directors' decision cannot be awaited, by the Chairman.

4.06. A board member is bound solely by their conviction and not by any directions from those who are elected or from an appointed board member.

#### **5. MINUTES**

5.01. The Chairman shall ensure that minutes of the Board meeting and of the Board's decisions are taken in accordance with 3.05.

5.02. Contents of the minutes  
The minutes shall convey:

- a) the board members or others that have attended
- b) the agenda that has been considered and
- c) the decisions that have been taken

5.04. A Board member who disagrees with the Board's decision has the right to have his/her views included in the minutes. The directors of the Association have the same right.

5.05. The Minutes shall be approved by all members of the Board of Directors and the directors of the Association. If a member of the Board of Directors or the directors of the Association has not taken part in the meeting or in the decision, this shall be indicated in the minutes.

5.06. Board members shall have the minutes transmitted by ordinary or electronic mail within ten working days following the board meeting. Board members shall



submit any comments on the minutes within five working days following receipt of the minutes.

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## **6. CHAIRMAN OF THE BOARD DIRECTORS**

- 6.01. The Chairman represents the Board of Directors externally and internally. The Chairman shall ensure that the formalities required by law, the Association's Articles of Association and its Rules of Procedure are complied with, including that the Annual Report with the Auditor's Statement is submitted on time to the authorities. At each Board meeting, the Chairman shall inform the other Board members on issues of major importance to the Association, of which the Chairman may have become aware since the previous Board meeting.
- 6.02. Board decisions are conveyed to the Association upon request from the Chairman to the directors of the Association. The Association's employees cannot, therefore, receive any request or instruction from any Board member.
- 6.03. The Chairman plans and organizes, with the assistance of the directors and with respect to in 2.01. the aforementioned work plan (annual wheel), the Board's work including the preparation of agendas for each meeting and evaluates together with the directors, what information and material shall be available for use for consideration of the individual items.
- 6.04. In the Chairman's absence, the Vice-Chairman shall in all respects, apart from 4:04, replace the Chairman.

## **7. BOARD OF DIRECTORS' DUTY OF CONFIDENTIALITY**

- 7.01. Information and documents that the Board of Directors receives from the Association, which shall be regarded as confidential, may not be passed on. A Board member is responsible for ensuring that the confidential information and the confidential material that the Board member has received is not disclosed or in any way accessed by anyone outside the Board of Directors' circle.
- 7.02. A Board member may only comment to the news media or contact the general public on matters relating to the Association with the Chairman's permission.

## **8. DELEGATION OF ACTIVITIES IN SPECIAL CASES**

- 8.01. In exceptional cases, the Board may allow matters to be dealt with by individual Board members or by one or more delegates of the Board with subsequent presentation to the full Board.

## **9. SUPERVISORY DUTY**

- 9.01. The Board of Directors supervises the Association's activities and ensures that it is managed properly and in accordance with the Association's Articles of Association and laws that may have an impact on the Association.
- 9.02. The Board of Directors will moreover request all information relevant for the execution of its duties.

## **10. APPOINTMENT OF THE EXECUTIVE BOARD**

- 10.01. The Board appoints one or more directors or contract with another legal entity on the provision of directors and/or other employees.
- 10.02. Function and job description of the directors  
The Board shall ensure that an updated function and job description is available for the directors of the Association. At the request of the Board and/or directors, the function and job description should be reviewed once a year and otherwise when deemed appropriate.



10.03. The directors participate in Board meetings unless the Board, in specific cases, decides otherwise. Employees who, in the view of the directors may help to inform individual items on the agenda, may also participate in Board meetings at the request of the directors and after consultation with the Chairman.

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10.04. Before the meeting the directors shall provide a written report on the operation of the Association since the previous Board meeting.

## **11. THE DUTIES OF THE BOARD OF DIRECTORS**

11.01. The Board of Directors ensures that in accordance with the Association's statutory objective, the directors draw up an objective and a strategy that shall ultimately be approved by the Board of Directors. The Board of Directors shall ensure that the objective and strategy are implemented and revised if developments so demand. The objective and strategy are assessed by the Board of Directors on an annual basis.

11.02. Business plan  
The Board of Directors shall ensure that the directors regularly draw up business plans, which are presented to the Board of Directors. The business plans should be an embodiment of the strategy.

11.03. Budgets  
The Board of Directors shall ensure that the directors regularly draw up budgets that are presented to the Board of Directors.

11.04. Interim financial reports  
The Board of Directors determines at which intervals interim financial reports are to be prepared, and to what extent these should be audited, and ensure that after every period, the necessary interim financial reports are prepared, which are presented to the Board of Directors.

11.05. The Board of Directors reviews budgets, interim financial reports and the like in the course of each financial year and any variances from the budget and the reasons for this.

11.06. Division of responsibility  
According to the above-mentioned Function and Job Description in 10.2. the Board of Directors establishes guidelines for the division of responsibility between the directors and the Board of Directors, including procedures, authorizations and instructions.

11.07. Insurances  
Once a year, the Board of Directors shall receive a statement from the directors that the Association is sound and insured in all respects.

11.08. Audit protocol  
The Board of Directors shall decide on the contents of the audit protocol prior to signing.

11.09. The Board of Directors can moreover expect to receive all information relevant for the execution of its duties.

11.10. Evaluation of the Board of Directors

Once a year, the Chairman initiates, with or without external assistance, an evaluation of the Board members and the Board's work and assesses whether the Board has the complementary competences required for the Association's activities and strategy plan. In selecting candidates for the Board of Directors, the Board shall ensure a structured, thorough and transparent process.



- 11.11 If, exceptionally, the Board requests the Chairman to perform special operational duties for the Association, this should be subject to a Board decision, which ensures that the Board retains its independent and overall control function of the Association. A proper division of responsibility should be ensured between the Chairman, the Vice-President, the other members of the Board of Directors and the directors of the Association.

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**12. PREPARATION OF THE ANNUAL REPORT**

- 12.01. The directors of the association shall prepare a draft of the Annual Report comprising a Management Report and financial statements with an income statement, balance sheet and notes and ensure that these are formulated as prescribed in the Articles of Association and legislation.
- 12.02. Approval of the Annual Report  
After preparation of the Annual Report, this is presented to the Auditors for audit. When the Annual Report has been audited, the directors of the Association shall sign the Annual Report and submit it together with the Auditor's draft audit report to the full board for approval and signature at the Annual Meeting.

**13. AUDIT**

- 13.01. The Association's Auditor shall be present at the Board's annual meeting as mentioned in 12.02 unless the Board of Directors and accountant deem that this can be omitted. The decision shall be recorded in the Board minutes.
- 13.02. Audit protocol  
The audit protocol shall be available at all Board meetings.
- 13.03. The protocols shall be signed by all Board members as proof that they are familiar with their content.
- 13.04. The Board of Directors and Auditor shall agree in writing on the scope and responsibility of the audit.

These Rules of Procedure were revised and approved by the Board of Directors at the Board Meeting on September 5.th 2016

The Board of Directors:

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