

**Transparency  
International is the leading  
global movement in the fight against  
corruption. Through more than 100 chap-  
ters worldwide and an international secre-  
tariat in Berlin, we highlight the harmful  
effects of corruption and work with partners  
in government, business life and civil  
society to develop and implement  
effective mechanisms to tackle  
corruption.**

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# CORRUPTION IN GREENLAND

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## WHY WORK WITH CORRUPTION IN GREENLAND

Corruption exists in all sectors and at all levels of society, and involves more than just bribery, fraud and embezzlement. Other kinds of abuse of power can also be corrupt, such as palm greasing, gifts, entertainment, favours for friends, favouritism and nepotism. A common denominator for these problems is provided in the broad definition of corruption used by Transparency International (TI):

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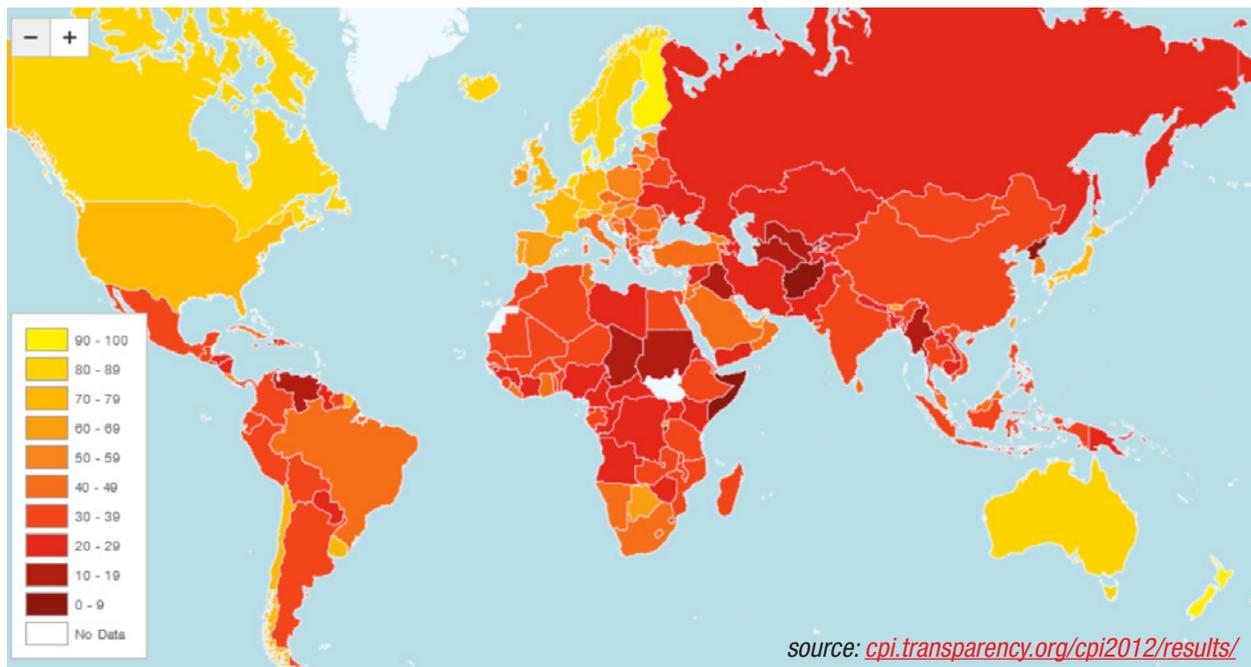
**Corruption is defined by Transparency International as the *abuse of entrusted power for private gain*. It harms everyone whose life, livelihood or happiness depends on the integrity of people in a position of authority.**

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Regardless of its form, corruption harms a society by creating unequal conditions and distrust and by discouraging free competition. According to the World Bank and the United Nations Development Programme (UNDP), corruption is the most significant barrier to sustainable development in a global perspective. Corruption is by its nature a sensitive issue and can therefore be difficult to identify – but its enemy is transparency. That is why TI fights corruption by promoting transparency in all sectors – and at global, national and local level.

## GREENLAND IN THE WORLD

The nature and extent of corruption in Greenland has not yet been monitored by independent bodies, and has thus not been registered in TI's global index of corruption. Greenland therefore appears as a white spot on the corruption index world map (see figure below). This seems paradoxical in a time of growing geopolitical and commercial interest in the Arctic and in Greenland's natural resources.



Greenland's underground has a huge potential that the oil and mining industries, the so-called extractive industries, wish to exploit. By reputation, these industries are among the most corrupt in the world.<sup>1</sup> This is a source of concern to Transparency International Greenland (TIG), as such corruption can prevent economic development from benefiting society as a whole, because the gains either leave the country or are unfairly distributed. Last year, TIG published an independent report based on TI's comparative methodology, a *National Integrity Study*.<sup>2</sup> An NIS study seeks to identify a society's robustness in resisting corruption. The study carried out was not a full NIS study, but in the first instance covered the construction, fisheries and minerals industries, on the basis of the public sector. The study found no indications of widespread corruption in the form of bribery, embezzlement or fraud, but on the other hand revealed that Greenland has only a few rather weak institutions, mechanisms and processes with which to resist corruption. This implies a high element of risk in connection with the massive investments upon which the large-scale projects in Greenland will depend.

## CORRUPTION IN GREENLAND

Overall, the NIS study points to the following corruption risks in Greenland:

- A limited number of civil society organisations, which possess few resources and a limited capacity to understand complex material from international companies – particularly in environmental matters
- The media have a high degree of dependence on public funding, as well as a limited capacity, which restricts their ability to act as a watchdog
- A few institutions, with limited resources, to prevent corruption. The existing institutions lack specified areas of responsibility at both local and national level
- The public administration lacks awareness, involvement and knowledge, particularly due to its high employee turnover
- Lack of whistleblower systems to protect individuals with knowledge of corruption. Today, people are turning to TIG in the absence of other options
- There is a lack of transparency in legislative processes, particularly in the Bureau of Minerals and Petroleum
- Attempts from parts of the political system – the now former minister of industry and mineral resources – to discredit TIG in public was followed by threats to the organisation
- Closely-related networks and family ties, which entail a risk of inappropriate personal preferential treatment
- There are several examples of how companies make their mark on rules that concern environmental and human rights problems, in contexts where other stakeholders lack insight or skills to act as a watchdog

<sup>1</sup> For further details, see Transparency International's *Bribe Payers Index 2011* pp. 14-15 and *Global Corruption Report 2009* p. 54

<sup>2</sup> The NIS report is available in Danish, Greenlandic and English at the TIG [website](http://www.tig.gl/)

# TRANSPARENCY INTERNATIONAL

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## A GLOBAL MOVEMENT IN THE FIGHT AGAINST CORRUPTION

TI's vision is to ensure a world where governments, politics, business life, civil society and the daily lives of people are free of corruption by promoting transparency, accountability and integrity at all levels and in all sectors. The organisation consists of more than 90 national chapters worldwide, and an international secretariat in Berlin. TI documents and highlights corruption problems and works with partners in government, business life and civil society to implement mechanisms that will effectively counter corruption.

The national chapters are independent organisations of civil society which are registered in their home countries and internationally associated with TI. Each chapter has its own board, membership base, strategic priorities and projects, and is responsible for providing its own funding. The TI secretariat in Berlin supports the chapters by provid-

ing knowledge and tools (such as the Corruption Perception Index, the Global Corruption Barometer, NIS methodology, etc.), but does not provide financing for such projects. The international secretariat also organises annual regional and global meetings at which the chapters can exchange experience, develop new partnerships and share the latest knowledge on research, initiatives and results achieved in TI as a whole.

TIG is part of this structure and supports the TI vision. While there are already corrupt practices and lack of transparency today that should be addressed by TIG, our primary goal is to prevent corruption gaining a foothold during in the rapid development of the minerals sector. Bearing in mind experiences from the rest of the world, it is a question of avoiding the so-called resource curse.

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## THE RESOURCE CURSE AND MICROSTATES

**The resource curse is the popular term for the paradoxical fact that countries rich in natural resources often have poor populations, because the wealth has not been distributed, but has provided economic incentives for corruption. There are numerous examples in the developing countries of how the resource curse has led to coups and civil wars. Microstates may be particularly vulnerable to this, because of the imbalance of power between the national authorities and the multinational corporations. For Greenland, this means that we have good reason to closely monitor developments in other countries and benefit from the experience gathered and shared in global networks, including Transparency International.**

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We know from the NIS report and the organisation's own experience that awareness of corruption in Greenland is limited, and that the institutions, mechanisms and processes available to counteract it are practically non-existent. Civil society organisations are small and poorly funded,

which leaves a void without critical agencies to monitor the situation and hold politicians and officials to account for developments in the minerals sector. The media also lack the resources and skills to play a watchdog role. Such a roll demands knowledge and technical expertise.

## THE PROCESS OF TRANSPARENCY INTERNATIONAL GREENLAND

Transparency Greenland established itself as the Greenlandic contact point for TI in 2010, with the aim of ensuring the sustainable development of Greenland towards an independence unhampered by corruption and nepotism, to the common benefit of current and future generations. This requires timely action.

In general, the organisation has been welcomed by politicians, the media, civil society, the business world and the wider community – but there are also critical opponents who do not wish more attention to be paid to the issues the organisation raises. This applies in particular to parts of the central administration and to certain politicians. Due to the country's size and its limited human resources, TIG attempts to co-operate with other civil society organisations to ensure maximum impact on the sustainability agenda. Together, we try to address issues of transparency, the environment and human rights associated with the

development of Greenland. This is done in co-operation with organisations like ICC, Amnesty International, Avataq and WWF.

TI has a rigid accreditation process for new chapters in the movement which consists of four phases: 1) a broadly-based contact group is founded and approved as legitimate by TI's secretariat, 2) a National Contact Point is formed as a civil society organisation, which must demonstrate its viability by maintaining a high activity level and good results for approximately two years, until 3) the organisation becomes a National Chapter in Formation and finally, after two or three years, 4) a fully accredited National Chapter. In 2013, TIG obtained the status as National Chapter in Formation and has thus taken a significant step forward in the process – not least due to the good results achieved during its first year of life, and close co-operation with the secretariat in Berlin.

## THE ORGANISATION

The board of TIG has seven members, each of whom is nominated by supporting institutions in society in order to achieve a broad composition of skills. Currently the board consists of :

Anders Meilvang, lawyer, chairman (appointed by Grønlandske Advokater)

Aaja Chemnitz Larsen, spokesperson for children, vice-chairman (appointed by the support members)

Anita Hoffer, legal consultant (appointed by Greenland's Employers' Association)

Tine Pars, rector (appointed by Ilisimatusarfik / University of Greenland)

Birgit Gedionsen, director (appointed by the trade unions)

Elna Egede, journalist. Resigned by own choice in November. (appointed by the Greenland Press Association)

Anne Mette Christiansen, CSR consultant (appointed by the chartered accountants)

Thomas Trier Hansen, lawyer, expert member

In 2013, the organisation also employed a part-time secretariat, consisting of: Bodil Karlshøj and student assistant Mitdlarak Lenert. From January to June, CSR Greenland sponsored intern Iben Ellersgaard Nielsen for eight hours a week. Deloitte has taken over this sponsorship from August with four hours a week. The aim is to employ a head of secretariat in 2014 to carry out fundraising and ensure that the organisation's activities are coordinated.

# RESULTS 2013

## STRATEGY AND ACTION PLAN IN 2013-2015

Since its foundation, TIG has been very active in its efforts to reach both the public and decision-makers with its messages and concrete solution proposals. In its first four years TIG has provided expert advice, training and instruction, and promoted citizen involvement. The organisation has acquired new members, been visible in the media, lobbied, given hearing responses, entered into commitments with other civil society organisations through the NGO coalition and pursued a number of individual cases.

The annual report for 2012 describes the three year strategy and action plan for 2013-2015 with goals and activities in the areas of awareness and involvement, legislation and institutions, long-term viability and networks and coalitions. The strategy of Transparency International Greenland takes its inspiration from the priorities stated in Transparency International's Strategy 2015, but has been adapted to meet the specific needs of the Greenlandic context. The following activities have been carried out in the first year of the action plan.

### AWARENESS AND INVOLVEMENT

As corruption is a shady affair which thrives only in secret, public awareness of these problems is crucial. The more people in the community are aware of the harmfulness of corruption and know what they can do to counteract it, the harder it will be to keep the abuse of entrusted power hidden from the public. TIG views the relatively low level of awareness of corruption in society as a challenge, and therefore wishes to place a massive focus on education, training and public commitment.

#### Goals:

- To create public awareness of corruption
- To get at least 50% of the Greenlandic companies with more than 20 members of staff to join the organisation, and to acquire at least 500 private members (equivalent to 1% of the population)
- To engage at least 20 young people as volunteers in anti-corruption training and awareness-raising activities
- To hold at least four training sessions annually for businesspeople, the civil service, local authorities and civil society organisations

#### Main activities and initiatives:

- Educational projects in schools in Greenland, including training teachers and producing teaching materials, and developing a strong concept to create awareness of corruption via the schools
- Major campaigns via social media and radio, with events and materials to inform people about corruption and how it can be prevented
- The continued expansion of media activities to ensure that messages about transparency and anti-corruption continue to appear in the Greenlandic press
- Create youth ambassadors by sending two Greenlandic students to TI's international summer school every year
- Major events and activities planned for the global Anti-Corruption Day on 9 December
- Design and launch a concept for voluntary involvement in the movement, and create local training and commitment
- Plan and hold training for the defined target groups
- Membership campaigns aimed at the business community as well as the wider public,
- Local authorities and civil society organisations

# OUR PROGRESS IN 2013

## TRAINING AND SKILLS ENHANCEMENT IN THE BUSINESS COMMUNITY, THE CIVIL SERVICE, THE MEDIA, CIVIL SOCIETY AND ACADEMIA

TIG has developed a course targeted at these groups that provides participants with the tools and knowledge necessary to work on anti-corruption and transparency. The course is taught by local lawyers and CSR experts. A Handbook on anti-corruption with a set of related slides was prepared for the course. The handbook will make it easier for Greenlandic companies to navigate their way around corruption.

## PUBLIC AWARENESS AND MEDIA CAMPAIGNS

Prior to the parliamentary election to inatsisartut / Parliament of Greenland, TIG invited to an election meeting in Nuuk under the headings: real citizen involvement, transparency in government and effective registration of complaints. Facebook is still being utilised as a primary channel to collect, discuss and disseminate messages to a wider range of citizens. The organisation chairman has appeared in the Greenlandic, Danish and international media, and has thereby placed transparency on the agenda in the debate on mineral resources. Journalists from the Danish DR P1 radio station, the Danish newspapers Børsen and Berlingske Tidende, and other international media have consulted TIG for expert advice on development in Greenland. After the election and the formation of the new government, the media have focused several times on personal cases. TIG does not comment on individual personal cases but uses every opportunity to campaign for transparency and openness, including the need for politicians to present all relevant information to the people.

## CORPORATE SOCIAL RESPONSIBILITY

The UN's Anti-Corruption Day on 9 December was marked by conference co-hosted by CSR Greenland and the Greenland Council on Human Rights. The conference title: Corporate social responsibility; anti-corruption and human rights.

## ACTIVITIES RELATING TO EDUCATIONAL INSTITUTIONS

The secretariat held an information meeting in March at Niuernermik Ilinniarfik / Greenland Business School in Nuuk for all the students. In July, culture and social science student Nuka Nathanielsen was the first Greenlandic representative to attend the TI Summer School on Integrity. The trip was made possible by a scholarship granted by TIG with funding from The Bank of Greenland's Business Fund. The summer school with 120 young people from 60 different countries was held in Vilnius. The young people came from NGO organisations, public institutions, the private sector and academia. The aim was to bring young people from all over the world together for a week where they learnt more about the causes and consequences of corruption.

## LEGISLATION AND INSTITUTIONS

An important aspect of the work to promote transparency and prevent corruption consists of presenting concrete proposals on how laws and institutions can be designed to contain effective anti-corruption mechanisms. Accordingly, Transparency International Greenland will employ advocacy and seek out new and updated knowledge on an ongoing basis, and thereby place its stamp on relevant areas in Greenland.

Goals:

- To achieve success with the following specific cases:

- The inclusion of Greenland in the UN Convention against Corruption
- At least 90% of members of the national parliament (Inatsisartut) to publish their financial interests on the basis of the existing voluntary scheme
- Whistleblower schemes to be made possible in Greenland
- Public institutions to become responsible for taking measures to prevent corruption
- The Employers' Association of Greenland and Nusuka (the Organisation of Greenlandic Employers) to actively engage their members in the fight against corruption
- To significantly influence the development of the extraction industries in Greenland through dialogue, lobbying and campaigns

Main activities and initiatives:

- Continue to present expert statements on the design and implementation of relevant legislation, institutions and guidelines for anti-corruption work
- Provide thorough and professional responses to draft legislation during hearing processes
- Engage relevant stakeholders, including companies, in the ongoing efforts to promote transparency and the anti-corruption agenda
- Participation in relevant forums, such as the Greenland Council on Human Rights
- Engage the experts of Transparency International in Greenland's development, so as to secure continuous access to the latest relevant international research and the experience of other countries
- Plan and obtain funding for a full NIS study, to be followed by thorough stakeholder involvement, communication and suggestions for improvement

## AN IMPORTANT STEP TOWARDS MONITORING

In February 2012, TIG published a preliminary NIS study<sup>3</sup> carried out by the Nordic Consulting Group, which, on the basis of the public sector, examines the robustness of the systems, institutions and mechanisms designed to prevent corruption in the construction, fishing and minerals industries. The study has produced valuable knowledge which underlies TIG's strategic priorities, and has also been used as part of Greenland's annual reporting to the EU. In 2013, TIG has been in dialogue with Transparency International's research experts and taken the first step towards including Greenland on the global index of corruption.

## ADVOCACY

In 2013, TIG worked to promote the introduction of a whistleblower scheme, the publication of the financial interests of MPs, and the inclusion of Greenland in the Aarhus convention and the UN Convention against Corruption.

## LONG-TERM VIABILITY

In the first years of its existence, Transparency Greenland has acquired the status of a recognised and important player in Greenlandic society. In order to be

able to maintain this level of activity, it will be necessary to secure a long-term organisational foundation by establishing a secretariat and the necessary financial and human resources to ensure its long-term viability.

Goals:

- To establish a well-functioning secretariat and create workflows, tools and systems that will ensure the professional management of the organisation
- To be fully recognised as a National Chapter at the latest by 2015
- To secure financial sustainability after 2015

Main activities and initiatives:

- Employ a secretariat and ensure relevant staff training
- Develop the skills and knowledge of the board and secretariat
- Outline and implement a way to involve volunteers
- Fundraising for current activities and long-term fundraising
- Work with the secretariat of Transparency International on the requirements to achieve full National Chapter status

## TIG HAS BECOME A NATIONAL CHAPTER IN FORMATION

In spring 2013, TIG was approved by TI as a National Chapter in Formation. TIG's efforts have also resulted in an impor-

tant degree of recognition in Greenlandic society, as for example expressed by the fact that TIG has been consulted in official hearings and has been accepted as a member of Greenland's Human Rights Council, and is invited to committee meetings of the national parliament (Inatsisartut).

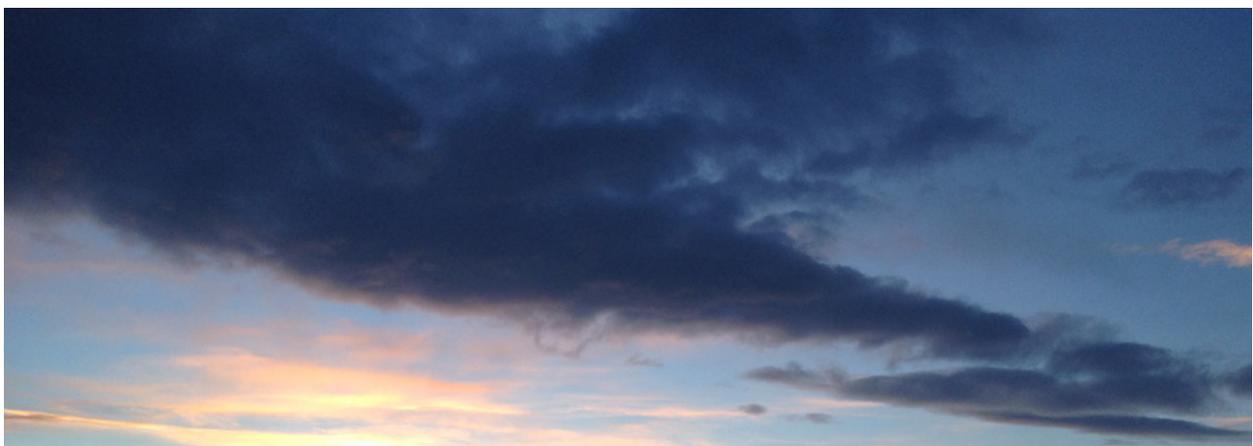
## TIG'S ARTICLES OF ASSOCIATION

The organisation's articles of association were amended in 2013. The amendments mean that from the annual general meeting in April 2014, TIG will be a normal association where the board is nominated by and from among the members. The new articles of association are attached as an annex to this annual report.

## FUNDS AND DONATIONS

TIG received DKK 200,000 from the Bank of Greenland Business Fund to support a number of projects under TIG's strategy and action plan, including funds to send a student to the TI Summer School, as well as to establish the secretariat. Tele has sponsored internet for the secretariat. Deloitte has donated the Handbook on anti-corruption. The Bank of Greenland A/S gave DKK. 2000 for designing the office, Boligselskabet INI A/S has donated furniture and equipment from stock. The annual report for 2012 and its revision was completed free of charge by Grønlands Revisionsskontor A/S and Deloitte.

<sup>3</sup> The NIS report is available in Danish, Greenlandic and English on [www.transparency.gl](http://www.transparency.gl)





■ Countries and territories with a Transparency International chapter

(current as of November 2012)

*Transparency International Greenland is a Chapter in Formation in Transparency International*

**THE SECRETARIAT**

TIG rented shared office space with a number of other NGOs in April 2013. TIG's offices are now in the former Oles Varehus building in the centre of Nuuk. This also backs up on TIG's wish for close co-operation between the Greenlandic civil society organisations, which now have a common meeting place.

**NETWORK AND COALITIONS**

Civil society in Greenland is poorly equipped in relation to the skills, knowledge and resources required to address and deal with the dilemmas associated with the transition to a mineral resources-based economy. This leaves a high concentration of power with the state and commercial operators. Without a civilian watchdog to insist on access for the public this scenario could easily pave the way for corruption. For Transparency International Greenland, it is therefore essential to strengthen the overall impact of civil society through strategic collaboration and knowledge-sharing at national and global level.

Goals:

- To form a mineral industry coalition with other civil society organisations
- To work with the international networks of Transparency International to improve the possibilities of achieving the strategic goals

Main activities and initiatives:

- Take part in the mining and oil industry working group of Transparency International, in order to learn from the experiences of other countries and boost our level of knowledge
- Participate in the annual regional and global meetings of Transparency International
- Actively participate in the press campaigns of Transparency International, in order to ensure global awareness of Greenland and obtain support to achieve our strategic goals
- Engage with relevant civil society organisations such as the WWF, the ICC, Amnesty International and Avataq, in order to explore the possibilities of forming a civilian society coalition which can in partnership address the challenges presented by the extractive industries, and – if possible – work on the planning, design and implementation of such a coalition

**CO-OPERATION WITH TI**

The chairman and a board meeting attended TI ECA's regional meeting in Lisbon in June. In November, the Vice-Chairman and student assistant attended TI's annual meeting in Berlin. Participation in these meetings ensures

network building with the other chapters as well as contact with the TI secretariat.

**GLOBAL COMPACT**

In spring 2013, TIG also became a member of the UN Global Compact, which amongst other things promotes transparency in private companies and obtains their commitment to fight corruption. TIG welcomes its new collaboration with the Global Compact, whose global expertise in the oil and mining industries will now be made available to TIG.

**GREENLAND'S NGO COALITION**

TIG took the initiative in the summer 2013 along with ICC to form a coalition with other NGOs for the purpose of working to improve citizen participation in the area of mineral resources. The NGO coalition is open to all organisations, looser groups and individuals who are working to improve citizen participation and democracy linked to the development of large-scale project and other mineral resource activities. The NGO coalition has worked to draw up a memorandum for the Government of Greenland on Better Citizen Participation. TIG has contributed with an article on the international background for citizen participation, recommendations for Greenlandic legislation and the drafting of the memorandum.

# INCOME STATEMENT

Note		2013 kr.	2012 t.kr.
1	Net turnover	352.750	340
2	Other operating expenses	(326.417)	(257)
<b>Operating profit</b>		<b>26.333</b>	<b>83</b>
Other financial income		97	0
<b>Annual profit</b>		<b>26.430</b>	<b>83</b>
<b>Proposed distribution of profit</b>			
Carried over to next year		26.430	83
		<b>26.430</b>	<b>83</b>

# BALANCE SHEET 31 DECEMBER

Note		2013 kr.	2012 t.kr.
	Cash and cash equivalents	64.374	29
	Current assets	64.374	29
<b>Assets</b>		<b>64.374</b>	<b>29</b>
	Profit and losses carried over	54.585	28
<b>3</b>	<b>Capital</b>	<b>54.585</b>	<b>28</b>
	Other liabilities	9.789	1
<b>Short-term Liabilities</b>		<b>9.789</b>	<b>1</b>
	Liabilities	9.789	1
<b>Reserves</b>		<b>64.374</b>	<b>29</b>

# NOTER

	2013	2012
	kr.	t.kr.
<b>1. Net turnover</b>		
Company memberships	97.000	70
Grants	251.000	25
Private memberships	2.750	6
NIS studies	0	219
Course income	0	12
Anti Corps training revenue	0	8
Gifts	2.000	0
	<b>352.750</b>	<b>340</b>
<b>2. Other Operating Expenses</b>		
Administrative assistance	50.112	120
Accountant	10.000	0
Telephone/telefax	23.665	1
Postage and photocopying	335	0
Advertisements	1.615	2
Translation and interpretation	33.549	4
Common expenses for tenancy	22.816	0
Rent	50.788	0
AMA contribution	124	0
IT	52.920	5
Small purchases	6.967	0
Subscription	250	7
Conferences	0	12
Annual General Meeting and Board members	0	5
Summer School	30.000	0
Tickets and travel	30.305	4
Transparency courses	0	1
After-work meetings	3.000	0
Accommodation	9.286	0
Meeting expenses	685	0
Expenses for NIS survey	0	96
	<b>326.417</b>	<b>257</b>

# ARTICLES OF ASSOCIATION

## OF TRANSPARENCY INTERNATIONAL GREENLAND

of 31 August 2011, as amended 23 January/23 April, 26 September 2012 /11 February 2013, and 30 October/26 November 2013.

### 1. NAME AND DOMICILE

- 1.1. The name of the Association is **Transparent International Greenland** (TIG).  
Secondary name: **Transparency Greenland** (TG):
- 1.2. The Association's domicile is in Kommuneqarfiik Sermersooq, Greenland.

### 2. OBJECTS

- 2.1. The object of the Association is to prevent corruption, both nationally and internationally, in collaboration with TI. Corruption is defined as the abuse of entrusted power for private gain.
- 2.2. The Association will fight corruption by working to promote wide-ranging transparency in the public administration, openness in private business life and general transparency in society, and by disseminating information on corruption and its harmful effects.
- 2.3. The Association commits itself to adhering to TI's guidelines by:
  - Attentively monitoring legislation, administrative practices, etc. in both private and public sector organisations, with a view to detecting behaviour that encourages or neglects corruption, and thereafter by
  - Pointing out any weaknesses and suggesting improvements.

### 3. BOARD

- 3.1. The board shall consist of a chairperson and four to six board members, as determined by the general meeting.
- 3.2. The chairperson and the board members shall be elected by the general meeting for a period of two years at a time. The general meeting shall also elect one or two deputy members for a period of one year at a time. Re-election may take place.
- 3.3. In the event that two or more candidates achieve an equal number of votes in the election of a board member or deputy member, the election shall be decid-

ed by the drawing of lots between the candidates.

- 3.4. The board may co-opt up to two supplementary members with specific experience in combating and preventing corruption.
- 3.5. In the election of a board member, emphasis must be placed on ensuring that the person in question possesses relevant experience. Only natural persons may be appointed. A member of the board represents no others, and is bound only by his or her own opinions. A member of the board of directors must be of impeccable reputation, and may not be an active politician, or standing for election or sitting in the Danish Parliament, Inatsisartut or a municipal council.
- 3.6. The board shall constitute itself with a vice-chairperson.
- 3.7. If a board member resigns during his or her term of office, a deputy shall take that member's place on the board for the period until the next ordinary general meeting is held. If after the resignation of a member the number of board members is less than four, a general meeting shall be convened for the election of additional board members. The election of a new board member to replace a resigned member shall apply only to the remainder of the period of office of the resigned member. In the event of the resignation of the chairperson, the vice-chairperson shall act in place of the chairperson until the next ordinary general meeting.

### 4. THE WORK OF THE BOARD

- 4.1. The board shall implement the decisions of the general meeting.
- 4.2. The board shall meet whenever a member or auditor so requests, but at least four times annually, in the months of February, May, August and November, respectively. The board meeting in May shall be held when the audited financial statements for the previous year are available.
- 4.3. Meetings of the board shall be convened with at least ten days' notice. However, a meeting may be convened at shorter no-

tice if all the board members are present and agree to hold the meeting, notwithstanding any failure to comply with the period of notice. The board shall have a quorum when at least four members are present.

- 4.4. The decisions of the board shall be taken by simple majority of votes, cf. however section 12.
- 4.5. In the event of parity of votes, the chairperson shall have the casting vote.
- 4.6. The proceedings of the board shall be recorded in minutes, which shall record all the board's decisions. The minutes shall be signed by the attending board members by the time of the next meeting.

### 5. GENERAL MEETING

- 5.1. The Association's supreme authority is the general meeting. Ordinary general meetings shall be held each year, no later than four months after the conclusion of the financial year, with the following agenda:
  1. Election of chairperson and minute-taker
  2. Approval of the meeting's agenda
  3. Board report
  4. Presentation of the annual accounts, with auditors' opinion, for approval
  5. Presentation of plan of action and budget
  6. Determination of membership fee
  7. Resolution for the allocation of the profit or for the treatment of the loss, in accordance with the approved annual accounts
  8. Proposals received from members
  9. Election of board, including board chairperson and deputies.
  10. Election of auditor
  11. Any other business.
- 5.2. An extraordinary general assembly shall be held when so demanded by a general meeting, or by a majority of the board members, or by one-quarter of the members of the Association, with a specification of the agenda.

## **6. NOTICE, ETC.**

- 6.1. The general assembly shall be convened in writing at fourteen days' notice; however, in the case of an extraordinary general meeting, this may if necessary be reduced to eight days. The notification shall include the agenda for the general assembly.
- 6.2. Proposals for the consideration of the general meeting must be received by the general director no later than eight days in advance of the general meeting. A proposal may only be considered by a general meeting if it is either mentioned in the meeting notification, or if the members have been notified at least four days before the general meeting that it will be considered.
- 6.3. Everyone has the right to attend and speak at general meetings; however, only members may propose motions and vote.

## **7. CHAIRPERSON**

- 7.1. The general meeting shall elect its own chairperson and determine its own rules of procedure. Minutes of the general meeting shall be signed by the chairperson and the entire board.

## **8. DECISIONS**

- 8.1. The general meeting shall take its decisions by simple majority of votes, cf. however (2) and (3). Each member shall have one vote.
- 8.2. Proposals for the purchase, sale or mortgaging of real estate, entry into or termination of leases, the dissolution of the Association, or amendments to the articles of association may only be adopted by a two-thirds majority at a general meeting at which at least two-thirds of the members are present. If less than two-thirds of the Association members are present at the general meeting, but at least two-thirds of those present are in favour of the proposal, a new general meeting may be convened at which the motion may be finally adopted by a majority of at least two-thirds of those present, irrespective of how many members are present.
- 8.3. Voting may be done by written proxy submitted to the general director in advance of the meeting.

## **9. DAILY MANAGEMENT**

- 9.1. The chairperson or a person appointed by the board shall function as the Association's director.

- 9.2. The director shall be responsible for the appointment or dismissal of staff. The director shall co-operate with the board to promote the aims of the Association.
- 9.3. The director shall be responsible for the contact between the board and the Association's daily activities, including in relation to staff, etc.
- 9.4. The director shall be responsible for the day-to-day management and operation of the Association. The director shall not undertake actions which are unusual in nature or of major significance in relation to the Association's circumstances.

## **10. MEMBERS**

- 10.1. Individuals, companies or organisations who wish to support the Association's aims may be admitted as members. Political parties may not, however, become members.
- 10.2. Members shall have access to all common meetings held by the Association. Members shall have the right to speak at all meetings.
- 10.3. In the case of the exclusion, death or bankruptcy of a member, the member shall immediately be removed from the register of members. The membership fee shall be refunded in full if the death or bankruptcy occurs within three months of the new financial year.
- 10.4. The board may decide to exclude a member who acts in a manner contrary to the Association's purposes.

## **11. ADVISORY FORUMS AND SPECIAL COMMITTEES**

- 11.1. The board may set up advisory forums and special committees.

## **12. AUTHORITY TO BIND THE ASSOCIATION**

- 12.1. The Association shall be bound by the signature of the chairperson and the director, or another member of the board.

## **13. ACCOUNTS AND AUDITING**

- 13.1. The Association's accounts shall be compiled in accordance with the relevant legislation.
- 13.2. The accounts shall be audited by a state-authorized auditor or registered public accountant appointed by the board. The auditor shall be elected for a period of one year at a time. The audited accounts for the previous year shall be presented to the board by 1 April each year.

- 13.3. The Association's financial year shall run from 1 January to 31 December. The Association's accounts shall give a true and fair view of the Association's assets and liabilities, its financial position and result, and shall be calculated while taking account of any required or necessary depreciation or provisions. The board shall ensure that precise accounts are kept, showing the Association's operating, capital and establishment costs and capital movements.
- 13.4. Any profits may be transferred to the next financial year.
- 13.5. For the use of the board and the Association director, the auditor shall compile an audit protocol, in which he or she shall declare the audit work performed, and any deficiencies discovered in the Association's bookkeeping and accounting. Any additions to the protocol shall be signed by the director.

## **14. BUDGET, PLACEMENT AND USE OF ASSOCIATION FUNDS**

- 14.1. The board shall ensure that a budget is compiled for the Association's operations.
- 14.2. The director shall ensure that the Association's funds are placed in a recognised administrative institute.
- 14.3. The Association's funds may not be used by individuals for private purposes, and any profits may only be used in accordance with the objects clause of the Association.

## **15. LIABILITY**

- 15.1. The Association's assets alone shall be liable for the Association's obligations. Clauses relating to gifts to the Association must be respected.

## **16. DISSOLUTION**

- 16.1. In the event of the dissolution of the Association, any net remaining Association funds shall be utilised for related purposes.

As adopted at the founding board meeting of the Association on 31 August 2011.

Clause 3 was amended on 23 January/23 April 2012.

Clause 10.3 was amended and 10.4 inserted on 26 September 2012/11 February 2013.

Clauses 1, 3, 4, 5, 10, and 16 were amended and clauses 6, 7 and 8 inserted on 30 October/26 November 2013.

