

**RULES OF PROCEDURE**  
**for the Board of Directors of**  
**SIKUKI NUUK HARBOUR A/S**  
**Reg. No. A/S541406**

**Basis for Rules of Procedure**

**§ 1**

- 1.1 These Rules of Procedure have been established pursuant to the Greenland Public Companies Act § 56.4.
- 1.2 An original copy of these Rules of Procedure duly signed by all members of the board is kept in the board's Protocol.

**§ 2**

**Election of the Board of Directors**

- 2.1 Pursuant to the Articles of Association § 8.1 the shareholders elect at the general meeting a board of directors consisting of 3-5 members including the chairman.
- 2.2 Each member of the board of directors is elected for a term of two years. At the company's first general meeting 2-3 members are elected for a term of one year.

**§ 3**

**Election of Officers**

- 3.1 The board of directors convenes immediately after the formation of the company and the general meeting to elect its officers hereunder election of the vice chairman.
- 3.2 New members of the board shall adopt these Rules of Procedure at the organizational meeting.

## **§ 4**

### **Chairman and Vice Chairman**

- 4.1 The chairman of the board represents the board internally and externally and speaks on behalf of the board.
- 4.2 In the absence of the chairman his/her duties shall be performed by the vice chairman.
- 4.3 The chairman chairs the meetings and advises the other members of any significant events that have taken place since the last board meeting.

## **§ 5**

### **Board Meetings**

- 5.1 The chairman, or the managing director if so authorized, calls for a board meeting with a minimum of one week's notice and ensures that the agenda and all necessary material is forwarded within the same period of notice.
- 5.2 Meetings are held when the managing director or/and the board or the company's registered accountant deem it necessary. The time and place for the first meeting is determined where possible at the first organizational meeting of the board.
- 5.3 In extraordinary situations, the chairman may call a meeting with shorter notice than that stated in §5.2.
- 5.4 The board meeting may be held using electronic media, including telephone and telecommunication with video (electronic board meeting) to the extent that it is considered to be compatible with the board's work. However, a member of the board may demand that the members physically attend the board meeting.

## **§ 6**

## **Quorum**

6.1 There is a quorum when at least half of the board members are present.

## **§ 7**

### **Voting**

7.1 Resolutions are adopted by the board with a simple majority vote.

7.2 In the event of a tied vote, the chairman, or the vice chairman respectively, has the casting vote.

## **§ 8**

### **Minutes**

8.1 The board shall keep minutes of its meetings and these shall be signed by all participating board members.

8.2 A board member or a member of management who does not agree with a decision made by the board is entitled to have his opinion noted in the minutes in accordance with the Public Companies Act § 56.5.

8.3 In the Minute Book the minutes of each meeting shall contain:

1. Names of participating board members.
2. Agenda including any other business.
3. Decisions made in pursuance to the abovementioned item 2.

8.4 The minutes shall be signed at the following board meeting. Those members who did not participate in the referred meeting sign the minutes with an annotation they have read them.

## **§ 9**

### **Secrecy etc.**

- 9.1 All information and all material received by the members of the board are confidential, unless specifically noted otherwise.
- 9.2 Any board member is responsible for storing safely and keeping inaccessible to others all material received in his/her capacity as member of the board.
- 9.3 Both during and after membership of the board, the members must treat everything they have learned in their capacity of board members as confidential.
- 9.4 An outgoing member of the board shall in connection with his/her retirement return all material received and destroy any material received electronically.

## **§ 10**

### **Appointment of management etc.**

- 10.1 Appointment and dismissal of members of management and changes in their employment terms requires that 2/3 of the board is in agreement.

## **§ 11**

### **Non-eligibility**

- 11.1 If the board needs to make decisions concerning one or more members of the board, these are not eligible to take part in the vote.

## **§ 12**

### **Company Register**

- 12.1 It is the duty of the Board to update and verify the company's register.

## **§ 13**

### **Organization and Management**

- 13.1 The daily leadership is undertaken by the management in accordance with guidelines that are agreed upon with the board.
- 13.2 The board has the overall responsibility for ensuring that the company complies with legal requirements and with the Articles of Association.
- 13.3 The board shall undertake the strategic leadership and ensure proper organization of the company's operations and ensure that
  1. bookkeeping and the presentation of accounts is carried out in a manner that is satisfactory for the company's position,
  2. suitable procedures are established for risk management and internal controls,
  3. the board regularly receives the necessary reports concerning the limited company's financial situation,
  4. management performs its duties in a proper manner and in accordance with the board's guidelines,
  5. the company's capital resources are always appropriate, with sufficient liquidity to honour the company's present and future commitments as they become due and the company is therefore always obliged to evaluate the financial situation and ensure the presence of appropriate capital resources.
- 13.4 The board prepares the overall strategy on the basis of proposals from management and approves the prepared budgets.

## **§ 14**

### **Management's participation in Board Meetings**

- 14.1 The board directs management at each board meeting to go through the interim financial report for the previous quarter with written comments explaining budgetary deviations and with information regarding the company's liquidity, order book, significant transactions, overall insurance situation, financial situation, cash flow and specific risks. The interim financial report shall be forwarded to the board 8 days before the board meeting is held.

- 14.2 The board requires the management to explain at each board meeting whether the company's capital resources are sufficient to operate the company.
- 14.3 The board requires the management at one board meeting per year to
1. examine the guidelines for establishing and maintaining books, records and protocols pursuant to the current requirements of the Public Companies Act,
  2. examine the company's organization as well as its bookkeeping, internal controls, IT organization and budgeting,
  3. examine guidelines that ensure the board receives the necessary information to carry out its duties,
  4. ensure that appropriate insurance has been taken out, including loss and damages and liability insurance, and
  5. examine the guidelines that ensure the presence of the necessary basis for audit.
- 14.4 The board requires management to inform the board of all unusual or extraordinary circumstances and the management shall answer all questions that may be asked by the individual board members.

## **§ 15**

### **Management Report**

- 15.1 The board ensures that management prepares an appropriate report for the Annual Report.
- 15.2 The Annual Report shall be signed by the management and the board.
- 15.3 Any disagreement in the report shall, if so desired, be noted in the Annual Report.

## **§ 16**

### **Preparation of the Annual Report**

- 16.1 The board ensures that an Annual Report is properly prepared and that the auditor has access to the information that the auditor requires in order to carry out his duties.

## **§ 17**

### **Approval of the Annual Report**

- 17.1 Before the Annual General Meeting is held, the board shall review the Annual Report for approval.
- 17.2 The board is responsible for seeking clarity concerning any items about which there is doubt.

## **§ 18**

### **Audit**

- 18.1 The board shall ensure an appropriate audit.
- 18.2 The board shall annually together with the audit assess the need for an internal audit.

## **§ 19**

### **Auditor's Records**

- 19.1 The Auditor's Records shall be presented at each meeting of the board and be available to all board members.
- 19.2 The board shall evaluate the content of each additional remark to the Auditor's Records and sign the record.

## **§ 20**

### **Auditor's Report**

- 20.1 The board shall ensure that the Annual Financial Report is duly certified by the auditors.

**§ 21**  
**Insider Trading**

21.1 The board shall not perform insider trading. A violation of this will result in immediate termination of membership of the board and claims for damages to the extent that the act caused the company or its shareholders to suffer loss.

**§ 22**  
**Changing the Rules of Procedure and  
evaluating the work of the board**

22.1 These Rules of Procedure may be changed by the board with a simple majority vote.

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Adopted by the Board on 15/6 2015



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This translation is for convenience only.