



Adopted as of April 13, 2016

# Rules of Procedure

## Section 1 – Introduction

1.1 **Goals.** The goals (“Goals”) of the Arctic Economic Council (“AEC”) are to:

- i. Facilitate responsible business and economic development of the Arctic and its communities;
- ii. Share and advocate for best practices, technological solutions, and standards;
- iii. Support market accessibility; and
- iv. Provide advice and a business perspective to the work of the Arctic Council.

1.2 **Objectives.** The objectives (“Objectives”) of the AEC are to:

- i. Strengthen and inform the work of the Arctic Council through the view of business and regional economic cooperation;
- ii. Advance sustainable development in the Arctic;
- iii. Facilitate responsible trade and investment in the Arctic;
- iv. Balance the potential for Arctic economic activities with environmental stewardship;
- v. Contribute to a stable, predictable and transparent business climate;
- vi. Improve the economies, communities, lives and culture of the Arctic Indigenous peoples;
- vii. Improve the economies, communities, lives and culture of the local Arctic peoples; and
- viii. Include interested stakeholders in activities concerning circumpolar business and economic development.

1.3 **Definitions.** In these Rules of Procedure (“Rules”):

“Arctic Participant” means a Permanent Participant or the AEC organization in an Arctic State.

“Arctic States” means those nations that were members of the Arctic Council on September 30, 2014, namely Canada, Denmark, Finland, Iceland, Norway, the Russian Federation, Sweden and the United States of America.

“Executive Committee” means the committee formed to oversee the strategy and implementation of AEC activities as described in Section 4 of these Rules.

“Governance Committee” means the committee formed to manage and control all of the governance affairs of the AEC as described in Section 3 of these Rules.

“Permanent Participants” means those organizations that were Permanent Participants of the Arctic Council on September 30, 2014, namely the Arctic Athabaskan Council, Aleut International Association, Gwich’in Council International, Inuit Circumpolar Council, Russian Association of Indigenous People of the North (RAIPON) and Saami Council.

“Representatives” means the business representatives appointed to serve on the AEC by the Arctic Participants.

“Secretariat” means the Arctic Economic Council Secretariat, located in Tromsø, Norway, or such other location as the AEC may determine from time-to-time.

## Section 2 – Representatives

2.1 **Voting Membership.** The AEC shall consist of only one class of voting membership further described in Section 5.6(i).

2.2 **Appointment.** Each of the Arctic Participants may appoint up to three Representatives who have demonstrated their desire to advance AEC’s Goals and Objectives, to serve as Representatives of the AEC, one of whom shall be designated to serve as a voting member of the Governance Committee. All Representatives must agree to abide by these Rules and any other terms and conditions for membership established by the Governance Committee.

2.3 **Powers.** Each of the Representatives in good standing is entitled to one vote on all matters submitted to a vote of the Representatives as further described in Section 5.6(i).

2.4 **Resignation.** A Representative may resign at any time by:

- i. Giving written notice of his or her resignation to the Chair or the Secretariat; or
- ii. Presenting his or her written resignation in person at a meeting of the Representatives.

## 2.5 Removal.

- i. A Representative may be removed from his or her capacity as a Representative and/or member of the Governance Committee or Executive Committee, with or without cause, by the applicable Arctic Participant.
- ii. The Executive Committee may recommend the removal of a Representative, but final approval for removal lies with the applicable Arctic Participant.

## 2.6 Vacancies.

- i. Vacancies resulting from the death, resignation or removal of a Representative may be filled by designation by the applicable Arctic Participant(s).
- ii. The Representative appointed to fill any such vacancy holds office until the next appointment of Representatives or until his or her successor has been appointed.

2.7 **Compensation.** Unless otherwise expressly and specifically approved by the Executive Committee, compensation and reimbursement of expenses, if any, of Representatives (whether as Representatives or members of the Governance Committee, Executive Committee or otherwise) for services rendered on behalf of the AEC, shall be paid by the institutions employing such Representatives.

## 2.8 Term.

- i. The term of office for the Representatives shall be three years and until his or her successor has been duly appointed and qualified, or until his or her earlier death, resignation or removal.
- ii. Representatives may be appointed to serve an indefinite number of terms.

2.9 **Other Types of Membership.** In order to promote involvement by the broader Arctic business community, the Governance Committee may create other types of non-voting memberships in the AEC.

## Section 3 – Governance Committee

3.1 **Appointment.** Members of the Governance Committee shall be appointed by the Arctic Participants as described in Section 2.2.

3.2 **Powers.** Subject to the rights of the Representatives under section 7.3 (ii), the Governance Committee shall manage and control all of the governance affairs of the AEC including, but not limited to:

- i. Any amendment of these Rules;
- ii. Development of other types of membership in the AEC; and
- iii. Establishment of dues for funding of the AEC and the Secretariat.

## Section 4 – Executive Committee

### 4.1 Appointment.

- i. The Executive Committee shall consist of at least four Representatives.
- ii. The Executive Committee shall consist of the current Chair and at least three Vice Chairs. When feasible, one Vice Chair shall be the previous Chair and another Vice Chair shall be the incoming Chair.
- iii. The Representative to become the next Chair shall be appointed at an annual meeting of the Representatives by consensus of the Representatives present.
- iv. At least one member of the Executive Committee shall be a Representative who was appointed to the AEC by a Permanent Participant.
- v. Unless otherwise prescribed by the Representatives, the nationality of the Chair shall mirror the Arctic State holding the chairmanship of the Arctic Council unless that Arctic State declines; then the Chair shall rotate to the next Arctic State in waiting.

4.2 **Powers.** The Executive Committee shall oversee the strategy and implementation of AEC activities, including through the establishment of additional working groups, and provide direction to the Secretariat.

4.3 **Chair.** The Chair is the chief executive of the AEC.

- i. The Chair, in coordination with the Executive Committee, has charge of the affairs and activities of the AEC, and shall see that the resolutions and directives of the AEC are carried into effect.
- ii. The Chair may execute on behalf of the AEC any collaboration agreements or other instruments aligned with the objectives of the AEC, which the Executive Committee has authorized to be executed.
- iii. The Chair shall preside over meetings of the Governance Committee, and shall be permitted to vote on affairs of the Governance Committee only to the extent necessary to break a tie.

4.4 **Term of Office.** The term of office for each member of the Executive Committee is two years in his or her specific capacity as the Chair or Vice Chair.

4.5 **Vacancies.** A vacancy in the Executive Committee shall be filled without undue delay by the Arctic Participant that appointed such Representative.

## Section 5 – Meetings of the Representatives, Governance Committee and Executive Committee

5.1 **Annual Meeting of Representatives.** The AEC shall meet at least once a year. The Representatives shall hold an annual meeting, at such place and time as may be selected by the Chair and approved by the Executive Committee, for the purpose of appointing members to the Governance Committee and for the transaction of such other business as properly comes before the meeting.

- i. In years when the Arctic Council is scheduled to meet, the Chair and the Executive Committee shall make reasonable efforts to schedule the annual meeting to coincide with the meeting of the Arctic Council.
- ii. Participation in annual meetings must be in person. Other means of participation, such as telephonic and/or video conference, shall not be permitted.

5.2 **Governance Committee Meeting.** The Governance Committee of the AEC may conduct up to two regularly scheduled meetings per year, provided that at least one meeting shall occur prior to the annual meeting of the Representatives.

- i. Participation by telephonic and/or video conference shall be permitted when available.

5.3 **Special Meetings.**

- i. Special meetings of the Representatives or the Governance Committee may be called at any time by the Chair, the Executive Committee or by majority vote of the Governance Committee.
- ii. Special meetings may be held at such place at such time as specified in the notice of meeting. Representatives may participate in a special meeting by, and/or conduct the meeting through the use of, any means of communication by which all Representatives participating may simultaneously hear each other during the meeting.
- iii. Notification shall be provided to the Representatives in the event of a special meeting, at least seven days in advance.

5.4 **Executive Committee Meetings.** The members of the Executive Committee shall hold monthly meetings or special meetings, at such place as may be selected by the Executive Committee, for the transaction of such business as properly brought before the meeting. The Executive Committee members may participate in Executive Committee meetings by, or conduct the meetings through the use of, any means of communication by which all participants may simultaneously hear each other during the meetings.

5.5 **Notice of Meetings.**

- i. **Media of Notice.** Notice of the time and place of meetings of Representatives and Governance Committee shall be communicated to each applicable Representative by telephone, electronic mail, facsimile transmission, mail or personally delivered to such Representative, charges prepaid, addressed to him or her at his or her address as shown in the records of the Secretariat.
- ii. **Notice Period.** If notice is mailed, delivered personally or communicated by telephone, electronic mail or facsimile, it must be delivered or communicated at least 14 days prior to the date of the Governance Committee meeting(s) and 45 days prior to the date of the annual meeting, and at least 7 days prior to the date of a special meeting.

- iii. **Purpose of Meeting.** Neither the business to be transacted at, nor the purpose of, any meeting must be specified in the notice or waiver of notice of such meeting, unless specifically provided by these Rules.
- iv. **Waiver of Notice.** Attendance at a meeting constitutes waiver of notice of such meeting, except when a Representative attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not called or convened in accordance with these Rules.

#### 5.6 Usual Manner of Acting.

- i. **Meeting of Representatives.**
  - a. **Quorum.** For a meeting of the Arctic Economic Council, quorum for the transaction of business is constituted by having Representatives from at least two-thirds of the Arctic Participants, except that if a quorum is not present at a meeting, a majority of the eligible participants present may adjourn the meeting to another time.
  - b. **Voting.** For a meeting of the Arctic Economic Council, the action of the Representatives is a simple majority vote of the Arctic Participants, where the vote of an Arctic Participant is the unanimous decision of the Representatives for that Arctic Participant, at a meeting at which a quorum is present, except as otherwise provided by these Rules.
- ii. **Executive Committee and Governance Committee.**
  - a. **Quorum.** Two-thirds of the eligible participants for a meeting must be present to constitute a quorum for the transaction of business, except that if a quorum is not present at a meeting, a majority of the eligible participants present may adjourn the meeting to another time.
  - b. **Voting.** A simple majority vote at a meeting at which a quorum is present is the action of the Executive Committee or Governance Committee, except as otherwise provided by these Rules.

#### 5.7 Conduct of Meetings.

- a. **Presiding Officer.** The Chair, or the Vice Chair as appointed by the Chair, shall preside over meetings of the Representatives, Governance Committee and Executive Committee.
- b. **Secretariat.** The Director of the Secretariat, or his or her designee, shall act as secretary and keep minutes of the meetings.

- 5.8 **Action Without Meeting.** Any action required or permitted to be taken at a meeting of the Representatives, Governance Committee or Executive Committee may be taken without a meeting, and without prior notice, if a consent in writing, setting out the action so taken, is signed by all of the members of the respective body then in office.

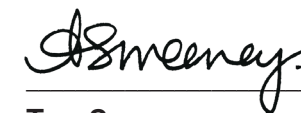
## Section 6 – Liability and Indemnification

- 6.1 **Liability.** To the fullest extent permissible under the law of Norway, the Representatives, the members of the Governance Committee and the members of the Executive Committee shall not be personally liable to the AEC or the Secretariat for monetary damages for any action or omission, caused by them in such capacity.
- 6.2 **Indemnification.** The AEC shall or shall cause the Secretariat to indemnify any person (any individual or entity), unless such person acted with gross negligence or willful misconduct, and who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a Representative, officer, employee, or agent of the AEC, or is or was serving at the request of the AEC as a member, director, officer, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, or other enterprise (collectively, "Other Enterprise"), and shall advance expenses to such person reasonably incurred in connection therewith, in each case to the fullest extent permitted under Norwegian laws, as such laws presently exists or may hereafter be amended. The AEC or Secretariat shall be required to indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the AEC, the Governance Committee or the Executive Committee.
- 6.3 **Indemnification from Other Sources.** The AEC's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee, or agent of an Other Enterprise must be reduced by any amount such person collects as indemnification from such Other Enterprise.

## Section 7 – Miscellaneous Provisions

- 7.1 **Books and Records.** The Secretariat shall keep:
- i. Minutes and other records of the proceedings of the Representatives, Governance Committee, Executive Committee and other committees or working groups of the AEC as appropriate; and
  - ii. Correct and complete books and records of account, if any, of the AEC.
  - iii. Any Representative may review books and records.
- 7.2 **Organizational Governance.**
- i. The AEC is an organization governed by Norwegian law.
  - ii. The Rules of Procedure are governed by Norwegian law.
- 7.3 **Amendments.** These Rules of Procedure may be amended, altered, or repealed, and new Rules of Procedure may be adopted by:
- i. The affirmative vote of two-thirds of the Governance Committee; or
  - ii. The affirmative vote of a majority at an annual meeting of the Representatives.
- 7.4 **Secretariat.** The Secretariat shall perform the secretariat support functions for the AEC as set out in its Terms of Reference.

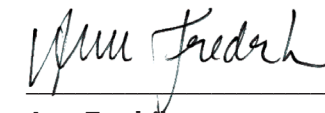
I certify that the foregoing Arctic Economic Council Rules of Procedure were adopted by the Representatives of the Arctic Economic Council on April 13, 2016, and that they are currently in effect.



**Tara Sweeney**  
Chair, Arctic Economic Council

13 April 2016

Date



**Anu Fredrikson**  
Director of the Arctic Economic Council Secretariat

13 April 2016

Date

[www.arcticeconomiccouncil.com](http://www.arcticeconomiccouncil.com)

