

**Collective Foundation AIDS Accountability International, (the
“Foundation”)**

**BOARD OPERATING PROCEDURES and GOVERNANCE
STRUCTURE**

August 28, 2004

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PREAMBLE

The Foundation has an Executive Board, a possibility to appoint Expert or Advisory Panels, and an Executive Director, and may appoint other committees.

The Executive Board is the highest decision-making body of the Foundation. The Executive Board processes the strategy of the Foundation, approves the annual budget, and otherwise resolves the overall framework and guidelines for the management of assets and business of the Foundation, including the development of a rating procedure.

The Expert or advisory Panel are an advisory platform responsible for the development, evaluation and monitoring of the rating process and policies relating thereto.

Additional committees and similar groups may be appointed by the Executive Board to provide external (*ad hoc*) expertise in various projects, and otherwise as the Executive Board deems necessary to carry out the business of the Executive Board. Such committees, panels and other groups report to the Executive Board.

The Executive Director shall be appointed by the Board to carry out the strategy and other actions resolved by the Board and otherwise be responsible for the day-to-day business of the Foundation.

A. EXECUTIVE BOARD

1. Board Members

The Foundation is to be managed by a Board, in accordance with its by-laws, consisting of no less than four and not more than six members. Members are elected by the Board, i.e. the remaining members decide on the replacement and new election of members.

Term of office on the Board shall be three years and can be renewed for an additional two terms. The terms of the directors should be staggered, i.e. one-third of the Board should be replaced each year. The term for the Chair shall be 3 years and can be renewed for an additional two terms.

2. Regular Board meetings

The Chair is responsible for convening the Board meetings.

The Board will generally have two regular in-person meetings per year. The meetings will be held in Stockholm or if so requested by the Board in another suitable country.

The Board shall adjust the frequency of these meetings as necessary.

Notice of the time and place of each regular meeting of the Board shall be provided to Board Members at least forty (40) days in advance of the meeting.

Agenda items for Board meetings should be submitted to the Secretariat at least 4 weeks in advance of a scheduled meeting. An agenda with related documentation should be circulated to Board Members at least 3 weeks in advance of the Board meetings.

3. Emergency Board Meetings

The Chair shall convene in-person emergency Board meetings as necessary to address extraordinary circumstances (e.g. major financial, legal and/or ethical issues, loss of confidence in leadership).

Any Board member, or the Executive Director, may propose to the Chair that an emergency meeting is convened.

4. Communication

Communication between the Secretariat and Board Members may be by mail, fax or e-mail. Board meetings and other meetings may be held by teleconference or e-mail conference in circumstances, and subject to conditions, determined by the Chair of the meeting. Teleconference calls will to the largest extent possible be scheduled to accommodate participants in various time zones.

Unless otherwise requested, the Secretariat will send all necessary documentation related to Board business directly to the designated Board Member.

Board Members should keep the Secretariat informed of changes in their business address, telephone and fax numbers, and e-mail address.

5. General Conduct of Meetings

Meetings will generally be conducted by the Chair or such other person appointed by the Chair to perform such functions.

6. Agenda

The Secretariat and Chair, acting together will prepare the Board meeting agenda, which will be approved by the Board at the beginning of each meeting. In circumstances where no consensus is reached, the Chair shall determine which items are to be included in the meeting agenda submitted to the Board for approval.

7. Decision-making

Decisions are passed by way of simple majority and the Chair has the casting vote.

8. Quorum

The quorum of the Board shall be three directors.

9. Language

Materials prepared by and for the Board, including Minutes of Board meetings, shall be in English.

10. Transparency

Board decisions and related documentation will be made public according to the Foundation's Documents Policy.

B. ROLES

11. Chair

The Chair shall be responsible for the conduct of all meetings of the Board, and shall be the principal spokesperson for the Board.

The Chair will maintain close communications among the members of the Board between meetings, and will work closely with the Executive Director to carry out the day-to-day business of the Board.

12. Other Board members

Each Board member shall participate in the Board meetings, unless the member upon discussions with the Chair has legitimate reasons not to participate.

Each Board member shall be prepared for each meeting and further the interests of the Foundation.

13. Executive Director

The Board shall appoint an Executive Director for the day to day management of the foundation. The role and responsibilities of the Executive director are set out in the job description adopted by the Board.

The Executive Director shall report to the Board.

The Executive Director shall also prepare working procedures including areas of responsibilities for the Foundation's committees etc. These working procedures shall be presented for and approved by the Board. During the first three years, Rodrigo Garay

Will be appointed Executive Director and may be removed from office only if he does not carry out his task in accordance with the Board's instruction.

The Executive Director shall attend all Board Meetings, and shall be responsible for the preparation and distribution of all materials required for the meeting, and for such other duties and responsibilities as may be assigned by the Board or the Chair.

14. Other officers

The Board may elect or appoint such other officers, with such other powers and responsibilities, as it deems necessary to carry out the work of the Board.

C. ELECTION PROCEDURES

15. Timing of Elections; Commencement of Terms

Elections of the Chair and other Board members, as applicable, shall take place at the first Board meeting of the year. In case of a vacancy, elections to fill the vacant slot shall take place at the first Board meeting at which a vacancy exists.

The terms of office shall commence on the second Board meeting of the year, except in the case of elections to fill a vacancy, where terms shall commence immediately upon election.

16. Vacancies

A vacancy in any office or position resulting from death, resignation, disqualification or other reason, shall be filled in the same manner in which the original holder of that office or position was appointed or selected. Individuals selected or appointed to fill vacant positions shall hold such positions for the unexpired term of their predecessor.

18. Election Process

The Chair shall conduct the election, or, in the event the Chair is a candidate, another person appointed by the Board shall conduct the election. If there is only one candidate for the position, the process shall proceed by acclamation.

If there is more than one candidate for the position, the Board shall proceed under the decision-making procedures outlined in Section 7 and 8.

19. Responsibilities of the Board

1. The role of the Board is to provide effective governance for the Foundation and ensure it moves towards achieving its missions and aims. Its responsibilities are

2. To ensure that the Foundation operates within its (memorandum and articles of Foundation, By-laws) and all relevant charity and company legislation.
3. To manage, review and develop the foundation's governance and constitutional arrangements.
4. With advice from the Executive Director to set the Foundation's strategic aims.
5. To provide leadership to ensure that the strategic aims are met.
6. To supervise the management of the Foundation.
7. To monitor the performance of the Executive Director.
8. To exercise overall control over the Foundation's financial affairs and to protect its assets.
9. To approve the rating reports proposed by the Expert Panel.
10. To make decisions and carry out their duties at all times in the best interest of the Foundation as a whole and in accordance with the Foundation's aims and values.

20. Signatory powers

In addition to the Board, signatory powers shall be granted to the persons appointed authorised signatories by the Board and to the Executive Director in his day-to-day management.

21. Financials

The Board must ensure that the Foundation has a sound financial status and that the books are properly kept with accountings in accordance with relevant laws and generally accepted accounting principles. The fiscal year of the Foundation is the calendar year.

22. Auditing

The Board shall appoint one auditor and one deputy auditor for one year at the time.

23. Report of the Executive Board

In April each year at the latest, the report of the board of directors and last years accounts must be presented to the auditor. Within one month, the auditor shall present the audit report, stating if the Board has managed the Foundation in accordance with these by-laws, good practice and applicable laws.

D. PERMANENT SECRETARIAT

25. Location

The registered office and Permanent Secretariat of the Foundation shall be in Stockholm. A decision to move the office must be unanimously decided by the Board. The Executive Board can decide to establish other legal entities or offices in other parts of the world to implement important elements of the AAI strategy.

26. The Foundation's Permanent Secretariat

The Foundation's Permanent Secretariat will maintain an organisation for the day-to-day management of the Foundation's activities and to have the further responsibility stated by the Board. The Foundation Permanent Secretariat will be headed by the Executive Director.

The Permanent Secretariat shall e.g. maintain liaison with national and regional societies, committees etc.; shall handle correspondence; shall maintain files; shall prepare and circulate the official minutes of meetings of the Board, shall keep the signed and attested originals of such documents; shall prepare and circulate agenda for meetings of the Board; shall receive and tabulate votes in all elections; and shall fulfill any other duties so defined by the Board. In addition, the Permanent Secretariat shall develop strategies for the Foundation's activities and resource mobilization.

Working procedures may be drawn up by the Permanent Secretariat and then approved by the Board. The procedures are intended to lay down various points not provided by the Foundation's Bylaws or this document, in particular, points related to the internal administration of the Foundation.

E. COMMITTEES

27. General

The Board may establish such committees, advisory panels and other similar groups it deems necessary to carry out the business of the Board. Such committees, panels and other groups report to the Board.

Committees will be established with defined terms of reference and deliverables. The terms of reference of committees shall be reviewed by the Board as appropriate. Committees will normally meet before and/or after Board meetings at the discretion of the committee chair and depending on their program of work. Committees will operate under these Board Operating Procedures and the specific Committee Rules and Procedures adopted by the Board and amended from time to time. In the event of any conflict between these Board Operating Procedures and the Committee Rules and Procedures, these Board Operating Procedures shall govern.

28. Expert Panel

The Board can appoint an Expert Panel. The Expert Panel will be an advisory committee responsible for the development, evaluation and monitoring of the rating process and policies relating thereto. The Expert Panel is renewed every three years by regular annual rotation. The Expert Panel proposes rating reports for approval by the Board.

29. Committee or expert panel chairs

The Chair in consultation with the relevant constituency if necessary shall identify a qualified candidate to chair a Committee, expert panel or other groups, taking into account the mandate of the committee, and present the candidate to the Board for ratification.

The Chair is an active part of the committee, expert panel or group leadership.

30. Size and Membership of Committees

Committees, expert panel or other groups, will have a maximum of 10 members. The Board Chair, in consultation with the committee, expert panel or group chair, and the Executive Director, will propose the members to be included on each committee, based on applications or proposal made, for full Board approval.

Committee, expert panel or group members will represent themselves and follow the FOUNDATION's Conflict of interest policy.

31. Quorum for Committees

Committees, expert panels or groups shall operate under the quorum requirements stated in Section 8, and may conduct business only when a majority of members are present.

F. MISCELLANEOUS

32. Certain Expense Reimbursements.

The Foundation will pay and provide for the costs of attendance at Board meetings in accordance with the Foundation travel policy.

33. Conflict of Interest.

Board Members, and other covered individuals are required to adhere to the Foundation's Conflict of Interest Policy.

34. Amendments to the by-laws

Amendments to these by-laws may only be made following a resolution passed at two consecutive meetings within a twelve-month period by a numerically complete and unanimous board.

Amendments may only be made provided that they do not violate the objects and purpose under the decree.