



PM FOR THS COMPANIES

1 Formalia

Summary

This memo describes how THS ownership of companies looks, the overall goal THS have with the ownership and regulates how THS act as active owners.

Purpose

The purpose of this memo is to create joint opportunities to develop the relationship between THS as owners and the companies and secondly to clarify the company board's role and responsibility in the companies.

Omfattning

This memo applies to all who work with companies from THS. The memo will be notified the board of each company.

Revision

Revision of this memo should be done every three years to ensure that the PM reflects ths business.

2 General

Background and Purpose

THS holds 100 percent of the shares in the companies” Teknisk Högskolelitteratur i Stockholm AB”, also known as ”Kärbokhandeln” and in ”Tekniska Högskolans Studentkonsulter Stockholm AB”, also known as ”THS Konsulter”. This memo describes how THS intends to exercise corporate governance in these companies where THS has an ownership interest.

Reasons for company ownership

THS has chosen to run part of their business in the legal form of companies for the following reasons:

- By separating certain activities from THS key activities can be focused in those directed to a combination of member benefits and high cost efficiency, and efficient, sustainable financial management.
- The business is outside THS primary activities and thus spread the financial risk and ensure THS economical capital.
- In the long term, companies generate a certain amount of funds to THS.

Overall objectives

For THS ownership exercise

The overall objective of THS ownership practice is to protect the members interests in ownership issues.



For THS Companies

The overall objectives for a THS company is

- THS company must conduct its business in a professional and cost-effective manner.
- THS company will offer services and/or activities that facilitate and/or enhance their studies at KTH.
- THS company's operations will provide value to the membership in THS.
- THS company should be characterized by the utilization of the resources of employees and work for equality, diversity and equality at all levels.

Means for exercise of ownership

THS exercise it's formal ownership of companies by:

- Establish the articles of association
- Formulate owner directives
- Appoint Board
- Approve the discharge for the board
- To give an opinion before decisions activities which are of considerable importance are taken by companies

Articles of association

The articles of association is the basic constitutional document of every company and contains the owner's directive of heaviest dignity. In addition to what the law provides for corporate bylaws content should not contain provisions other than those of a lasting nature. The association decides THS company's objects and the specified limits for operation.

The Articles of Association is amended by decision of the General Meeting. The changes must be registered with the Swedish Companies Office for them to take effect.

Owner directives

For every company owner directives shall be formulated. Except what is set out in the Articles of Association, a closer and more concrete description is made of the company objective. This means a formulation of the motives in which THS has to conduct its operations, the specific tasks and objectives that the company has to work with, and what restrictions in activities that THS want to give. The directives will also include a clarification of its financial goals.

The owner directives should be simple, clear and not too detailed, but is given in the form of general framework. The directives is drawn up in consultation with the companies, in order to be able to take responsibility for the tasks in agreement imposed on them. The directives must be adapted to each company's business, ie selected and specified based on the company's prospects, and they should also harmonize with the economic goals.

The owner directives for each company is decided by the student union board, and then set on extraordinary or annual general meeting. The Student union board is responsible for the ownership directives subsequently reported to the Student Union Council.

The owner directives should be decided annually, even if no revision of them occurs. Work with owner directives for the next fiscal year should begin at the end of the current fiscal year, with the goal to be adopted at the Annual General Meeting.

Company board

The company board, including the chairman, are appointed by the Student Union Board and then reported to the General Meeting. It is the Student Union Boards responsibility to appoint a board with conditions to protect the company's and the owner's interests and to give the company board a mandate to operate within the given framework.

In the company boards duties, it is included setting goals and strategy, appointing, evaluating and if necessary dismiss any chairman, ensure that there are effective systems for monitoring and control of the company's operations, ensure that there is adequate control of compliance laws and regulations applicable to the company's operations and ensure that the company's information is transparent and accurate, relevant and reliable.

Company board responsibility

The Board is responsible for the company's exemplary management within the framework legislation, the Company's Articles of Association and owner directive provides.

The Board may delegate tasks to individuals within or outside the board but not disclaim liability for the company's organization and management, nor the obligation to ensure satisfactory control of the company's financial circumstances.

Board members is expected to devote the necessary time and care, and acquire the knowledge required to utilize the company and its owner's interests.

Board nomination process

THS' goal is that the board should have skills that are well adapted to each company's operations, situation and future challenges.

Board nomination process is coordinated by the THS shareholder representative.

In the cases members of THS board is applying to the company board, they will not participate in the decision, and as far as possible not be included in any part of the process leading to the decision.

THS should inform about the nomination through THS website. Based on the applications THS board will determine if further information or interview is required to assess the suitability of candidates.

Board members shall be appointed for one or two years mandate.

Board composition

The starting point for the nomination is the need for expertise in respective board. Composition of the Board shall be such that the Board always has knowledge of the industry and other skills that are directly relevant to the company. Each member shall have a strong ability to ensure the company's best.

A person who is a member of THS Board should not also sit as a member of either of the company boards.

The number of members is governed by the respective boards articles of association.

The Chairman

The Chairman shall be elected by the General Meeting. If the chairman leaves office during the term of office the Board shall elect a Chairperson for the period until the next general meeting. The Chairman has a special responsibility to lead the work and ensure that the board discharges its statutory duties. The Chairman's special role is treated in the Companies Act and specified in the work plan for the board.

CEO

If the company has an executive director, it is one of the board's most important tasks is to identify, evaluate, and if necessary, remove the Executive Director. CEO may serve on the board but may not be its chairman.

Salary to board members

"Tekniska Högskolans Studentkonsulter Stockholm AB" board will work as volunteers. Therefore, decisions regarding the company directors' fees are not taken at their Annual Meeting.

"Tekniska Högskolelitteratur i Stockholm AB" board receives salary for the work performed and the responsibility that the board appointment. Chairman's and other members' fees are decided by the General Meeting. THS shareholder representative shall decide that the Company shall pay the fees:

- Chairman of the Board and advisory members 3 thousand per meeting, up to 15 thousand per year
- Board members 500 kr per meeting, up to 2500 per year
- Eventual stand ins 0 kr per year

Rules for the board

The Board shall establish written rules for their own work. Does the board divide labor between the members it must be described in the Rules. The rules of procedure must be clear and well documented.



The Board shall, at least once a year, preferably in the fiscal year's first meeting, redeem the work plan.

General Meeting

The general meeting is the highest decision-making part and the forum in which shareholders formally exercise their influence. Student union decides on instructions to THS shareholder representative, which represent THS during general meetings.

It is the Chairman's responsibility to ensure that notice of the time and place for the annual general meeting to THS representative of the shareholders in connection with the issuance of the notice of meeting.

The Board shall convene an extraordinary general meeting of the student union by THS shareholder representative so requests. The same applies if the auditor requests that additional meetings will be held. The Board may also, on its own initiative to convene an Extraordinary General Meeting.

At the AGM, the Chairman of the Board and as many as possible of the other Board members attend the to be able to make decisions. Also, the eventual CEO will attend.

For adjusters of the protocol of the General Meeting shall be appointed shareholders or representatives of shareholders who are not a director or employee of the company.

2..1 Annual General meeting

The Annual General Meeting is the name of the annual ordinary general meeting where the annual report will be presented. Annual General Meeting of the Company to be held before November 15 and decide on adoption of the profit and balance sheet. The meeting will also ask about liability for the directors and the CEO. Decisions must also be made in other matters which by law or the articles of association before the Meeting, for example, election of directors and auditors. While any board remuneration and auditors' salaries shall be determined by the Meeting.

At the AGM, where possible, all board members attend.

Information from THS companies

The companies are obliged to inform the student union on the financial and operational developments. The information is provided on the initiative of the student union board or by the companies themselves.

The information shall include:

- Economic performance and financial position - in connection with THS interim forecast
- Budget and business plan - once a year

Companies are to the end of September, submit an initial annual report to the student union as the basis for THS annual Report. Companies must prepare annual report to the annual general meeting may be held as 2.8.1, before the student union council deals with THS annual Report.

Handling of issues of major importance

The companies always have an obligation to inform the THS representative on matters related to significant changes in operations, such as operational goal issues, major financial issues, major investments, acquisitions and divestments, subsidiary formation and new business areas.

Regulations

The companies have laws and regulations to follow, for example, The Swedish Companies Act, which contains the basic rules of the organization. In addition to this it is expected of the company boards also to know and comply with the regulations made by the articles of association, ownership directives and any agreement between the THS and companies.

Principles for THS ownership

Basic principles for THS ownership

THS shall be helpful with regard to that the companies have access to the THS information channels.

THS should use the contacts at KTH to make companies and their services visible on campus and be responsive to what students want.

THS board and Management team will be, through THS shareholder representative, kept abreast of what is happening within companies and know the company's objectives.

Assignments as THS owner representative

The assignment of THS shareholder representative included the following main tasks:

- To attend all meetings and vote for THS sake.
- To be a liaison between THS owners and the companies' boards and keep in regular contact with company management and student representatives on company boards.
- To attend the company's board meetings to keep abreast of the boards work and the companies' operations, finances and long-term goals. Ownership representative shall, on the basis of the report to the student union and management team of the companies' operations.

Unless the student union decides otherwise vice president is THS shareholder representative in THS company.

Reporting to the Student Union Council

The council shall at least once a year receive a report on the operations and the financial position of the companies directly from the company management. The council shall, in addition to this, also get reports on the activities of the THS shareholder representative.

The council must also annually, preferably in conjunction with reports from senior management of each company, to conduct a discussion about the companies' aims and objectives, in order to keep the discussion on THS ownership in the company alive and to create a basis for ownership directives.

THS various roles with the Companies

In cases where THS not only has an ownership interest in the company but also other interests should THS not exercise its ownership position in the negotiation. Such situations may e.g. be speaking to students, acting as a landlord or by buying consulting services