

TU/e Supervisory Board Regulations

Article 1 Composition and functioning of the Supervisory Board

1. The Supervisory Board shall consist of at least three and no more than five members.
2. The President and the other members shall be appointed, suspended and dismissed by the Minister of Education, Culture and Science. One of the members shall be appointed upon nomination by the University Council. The nomination shall include at least two names. If the nominated candidates are not appointed by the minister, a new nomination shall be made. The minister may deviate from the second nomination with cause. Inasmuch as it is possible, appointments shall reflect an even distribution of positions between men and women. The minister shall appoint a member in whom the University Council has particular confidence.
3. A member may be dismissed prematurely for serious cause.
4. A member of the Supervisory Board is appointed for a term of four years, after which reappointment to a further term may occur no more than once.
5. Reappointment of a Supervisory Board member shall take place only after careful consideration by the other members of the Supervisory Board.
6. The Supervisory Board shall establish a schedule for rotation. This shall be made public.
7. The composition, duties and powers of the Supervisory Board are such that it can exercise proper and independent supervision. The members of the Supervisory Board shall have no direct interests within the university. The members of the Supervisory Board shall not be employees of a ministry or a member of the Senate or the House of Representatives of the Dutch Parliament. Members shall hold their position in a personal capacity and shall perform their duties without interference or consultation. The appointment of the members of the Supervisory Board shall take place according to profiles that have been announced publicly in advance.
8. The University Council shall be given the opportunity to provide recommendations to the Supervisory Board regarding the profiles referred to in the preceding paragraph.
9. The Supervisory Board shall consult with the University Council at least twice a year.
10. The Executive Board shall provide functional and independent administrative support to the Supervisory Board. The Supervisory Board shall have right of approval with regard to the appointment and dismissal of the secretary of the Supervisory Board.
11. The Supervisory Board is responsible for the quality of its own performance. At least once a year, outside of the presence of the Executive Board, it shall discuss both its own performance and that of individual Supervisory Board members.

12. The Supervisory Board shall prepare a profile regarding its size and composition, taking into account the nature of the university, its activities and the desired expertise. The profile shall be public.
13. Each member of the Supervisory Board shall be qualified to assess the broad outline of the university's overall policies. Each member of the Supervisory Board shall have the specific expertise necessary to perform their duties within their role in the framework of the Supervisory Board's profile.
14. By or pursuant to a general governance regulation, rules shall be established regarding allowances and expenses for Supervisory Board members.
15. The notes to the financial statements contain the legally required information on the amount of reimbursement to individual Supervisory Board members.
16. Members of the Executive Board and the secretary of the university shall attend Supervisory Board meetings unless the Supervisory Board decides otherwise. They shall hold an advisory vote therein.
17. Supervisory Board meetings and meeting documents shall not be made public unless the Supervisory Board decides otherwise in appropriate cases.

Article 2 Duties and powers of the Supervisory Board

1. With a view toward the duties of the university, as referred to in Article 1.3, paragraph 1 of the WHW, the Supervisory Board shall supervise the Executive Board's performance of activities and exercise of powers, supporting it with counsel. The Supervisory Board shall be charged with duties including the following:
 - a. Appointing, suspending, dismissing and establishing the compensation of the members of the Executive Board.
 - b. Approving the administration and management regulations.
 - c. Approving the budget, financial statements, annual report, institutional plan and treasury plan.
 - d. Approving the joint regulations as referred to in Article 8.1 of the WHW, if applicable.
 - e. Approving proposals for decisions by the Executive Board with regard to the establishment of a legal person or significant financial participation of the university exceeding a financial limit set by the Supervisory Board.
 - f. Ensuring compliance by the Executive Board with statutory obligations and dealing with the Good Governance Code, as referred to in Article 2.9 of the WHW.
 - g. Ensuring the lawful acquisition and the efficient and lawful allocation and use of resources received under Articles 2.5 and 2.6 of the WHW.
 - h. Designating an external auditor, as referred to in Article 393, paragraph 1 of Book 2 of the Dutch Civil Code, who shall report to the Supervisory Board.
 - i. Supervising the design of the quality assurance system in accordance with Article 1.18 of the WHW.

- j. Providing an annual account of the execution of the duties and powers as referred to under a–i, in the university’s annual report.
2. In the performance of its duties, the Supervisory Board shall address the interests of the university in accordance with the social position of the university and in balance with the interests of bodies, institutions and individuals involved with the university.
3. The Executive Board shall bring the internal risk management and control systems to the attention of the Supervisory Board.
4. If the Executive Board creates an internal division of duties, this shall be notified to the Supervisory Board.

Article 3 Appointment, remuneration and functioning of Executive Board members

1. The Executive Board shall consist of no more than three members, including the president and the rector magnificus of the university.
2. The appointment of members of the Executive Board shall be made on the basis of profiles made public in advance. The University Council shall be given the opportunity provide recommendations on these profiles.
3. Members of the Executive Board shall be appointed, suspended and removed by the Supervisory Board. Insofar as is possible, an even distribution of positions between men and women will be taken into account. Appointment or dismissal shall take place following consultation with the Executive Board and the deans of the departments.
4. A member of the Executive Board shall be appointed for a term to be determined by the Supervisory Board, which, as a rule, shall be four years, after which reappointment for a new term may take place following a careful performance evaluation. At the end of the month in which a member reaches the official age limit for public service, he or she shall be honorably discharged.
5. Before appointing or dismissing a member of the Executive Board, the Supervisory Board shall confidentially hear from the University Council regarding the proposed decision to appoint or dismiss. The consultation shall take place at such a time that it can have an actual influence on the decision-making process.
6. For the appointment of a member of the Executive Board, the Supervisory Board shall establish a selection committee which shall include at least:
 - a. a member or representative of the part of the University Council which is elected from and by the staff.
 - b. a member or representative of the part of the University Council which is elected from and by the students or a member or representative of the body which has been established under the provisions for an advisory council, as referred to in Article 9.30, paragraph 3 of the WHW.

7. The rector magnificus shall hold the official status of a professor appointed by the university. The Executive Board shall make a profile of the new rector magnificus to be appointed available to the deans of the departments for the purposes of advisement. The deans of the departments shall then deliberate on a possible nomination and engage in consultation with the Supervisory Board (or its representatives) in regard to this matter.
7. A member of the Executive Board may be dismissed prematurely for serious cause.
8. A member of the Executive Board cannot simultaneously serve as:
 - a. a member of the Supervisory Board.
 - b. a dean of a department or member of a Department Board.
 - c. a program director, graduate program director or dean of the TU/e Bachelor College.
 - d. a member of the Supervisory Board or Executive Board of another university.
9. At least once per year, the Supervisory Board shall discuss, outside of the presence of the Executive Board, the performance of the Executive Board as a whole and of its individual members.
10. Ancillary positions of members of the Executive Board shall require Supervisory Board approval and shall be made public.
11. The members of the Executive Board shall receive a remuneration for their work which, in terms of amount and structure, is such that qualified experts can be attracted and retained. The annual report contains the main points of the Supervisory Board's remuneration report regarding the remuneration policy for members of the Executive Board.
12. The Supervisory Board shall determine the remuneration of individual members of the Executive Board, all within the remuneration policy adopted by the Supervisory Board and the relevant legal frameworks.
13. Any form or appearance of a conflict of interest between the university, including its affiliated institutions, and members of the Executive Board shall be avoided. Decisions to enter into transactions where conflicts of interest may arise require prior approval by the Supervisory Board.
14. A member of the Executive Board shall promptly report a potential conflict of interest to the president of the Supervisory Board and to the other members of the Executive Board.

Article 4 Remuneration and appointment committee

1. The Supervisory Board has a remuneration and appointment committee. In preparation for decision-making by the Supervisory Board, the committee's activities include:
 - a. establishing the Supervisory Board's profile.
 - b. establishing policies regarding the remuneration of the Executive Board.
 - c. the periodic evaluation of the performance of Executive Board members.

2. The Supervisory Board shall appoint the members of the remuneration and appointment committee.
3. The remuneration and appointment committee shall determine its own working method under accountability to and subject to the direction of the Supervisory Board.

Article 5 Audit committee

1. The Supervisory Board has an audit committee. The composition, duties and working methods of the audit committee are described in regulations that form part of these regulations.
2. The Supervisory Board shall appoint a registered auditor, as referred to in Article 2.9, paragraph 3 of the WHW.
3. The Executive Board is responsible for the quality and completeness of publicly available financial reports. The Supervisory Board shall ensure that the Executive Board adequately fulfills this responsibility.
4. The Supervisory Board shall evaluate – in consultation with the Executive Board – how the external auditor is involved in the content and publication of financial reports (such as interim reports) other than the financial statements.
5. The Executive Board is responsible for establishing and maintaining internal procedures (administrative organization and internal control) that ensure that all relevant financial information is known to the Executive Board in order to ensure the timeliness, completeness and accuracy of internal and external financial reporting. The Supervisory Board shall supervise the establishment and maintenance of these internal procedures.
6. The external auditor always attends the Supervisory Board meeting in which the external auditor's report on the review of the financial statements is discussed and in which the approval or adoption of the financial statements is decided.
7. Pursuant to Article 2:393, paragraph 4 of the Dutch Civil Code, the report of the external auditor shall contain that which the external auditor wishes to bring to the attention of the Executive Board and the Supervisory Board regarding the auditing of the financial statements and the related audits.

Article 6 Accountability

1. The Supervisory Board is accountable to the Minister of Education, Culture and Science.
2. The Supervisory Board shall provide the minister with requested information regarding its actions.

3. The Supervisory Board shall provide an annual external account of how it has exercised its duties and powers during the past year. This Supervisory Board report shall be included in the university's annual report and shall include the following topics at least:
 - Information on the Supervisory Board members: name, gender, age, occupation and relevant additional positions.
 - The topics addressed by the Supervisory Board.
 - The manner in which the Supervisory Board has complied with these regulations.
 - The composition and functioning of the remuneration and appointment committee and the audit committee, as well as the topics dealt with by the committees.

4. The Supervisory Board states in its report that, in the Supervisory Board's view, the principle of independence has been respected.

Article 7

These TU/e Supervisory Board Regulations are published on the university's website.

Adopted in the meeting of the Supervisory Board on February 8, 2018.

TU/e Supervisory Board Regulations Appendix

Audit committee regulations

Article 1 Composition of the audit committee

1. The audit committee consists of up to three members. Each member of the audit committee shall be a member of the Supervisory Board.

2. The Supervisory Board shall appoint the members of the audit committee. The president of the audit committee shall not also be the president of the Supervisory Board.

Article 2 Duties of the audit committee

1. The audit committee prepares for the Supervisory Board's discussion of:
 - the operation of the internal risk management and control systems.
 - the compliance with relevant laws and regulations.
 - the university's financial disclosures (choice of accounting policies, application and evaluation of the effects of new rules, insights into the handling of 'estimated items' in the financial statements, forecasts, the work of the Operational Audit division and the external auditor in this regard, etc.).

- the compliance with recommendations and the follow-up on comments made by the external auditor.
 - the relationship with the external auditor, including in particular the appointment referred to in Article 5, paragraph 2 of the Supervisory Board's regulations, his or her independence, the remuneration and any non-audit work for the university.
 - the financing of the university in accordance with investment and financing statutes.
 - the administrative organization and underlying information systems.
2. The audit committee makes a thorough assessment of the performance of the external auditor at least once every four years.

Article 3 Working method of the audit committee

1. The audit committee shall meet at least twice a year.
2. The audit committee shall determine if and when members of the Executive Board, the external auditor and other experts should attend its meeting.
3. The audit committee shall meet with the external auditor at least once a year.
4. The Executive Board shall provide the audit committee with the necessary information.

Article 4 External auditor

1. The external auditor may make a request to the audit committee to call a meeting of the audit committee or to be present at a proposed meeting of the audit committee.
2. When the external auditor finds material irregularities in the content of the information presented to the audit committee, the audit committee shall be the point of contact for the external auditor.