

REGULATION SUPERVISORY BOARD FOUNDATION DORCAS AID INTERNATIONAL

Version 1.1 (Approved by SB in the meeting held on 12-12-2022; adjusted on 31-05-2024)

TERMS OF REFERENCE

For this regulation, the following definitions shall apply:

- Foundation: Foundation Dorcas Aid International, located in Almere
- Articles of Association: the Articles of Association of the Foundation, as per the latest amendment
- Executive Board: the board of the Foundation
- Director: a member of the Executive Board of the Foundation

1. AIM, SCOPE AND APPROVAL REGULATION

- 1.1. By means of this regulation, further interpretation is given to the task, responsibilities and manner of supervision of the Supervisory Board of the Foundation.
- 1.2. This regulation has been drawn up with due consideration for the legal requirements as equally the Articles of Association, and is intended as a supplement to these. If there is a conflict between this regulation and the Articles of Association, then the Articles of Association prevail.
- 1.3. The Supervisory Board approved this regulation in its meeting held on 12 December 2022.

2. COMPETENCES AND RESPONSIBILITIES SUPERVISORY BOARD

- 2.1. Based on the Articles of Association, the Supervisory Board has the task of providing an integral supervision of the policy of the Executive Board and the general state of affairs within the Foundation and the legal entities connected with the Foundation.
- 2.2. The Supervisory Board can record its vision about how it realises the supervision in the supervisory vision. The Supervisory Board shall ensure that the Supervisory Board and Executive Board are able to work together on the basis of this supervisory vision. The supervisory vision is a public document.
- 2.3. At least once a year, the Supervisory Board discusses the strategy and the principal risks associated with the activities of the Foundation and, accordingly, its affiliated legal entities.
- 2.4. In particular, the Supervisory Board ensures that the realisation of the board policy aligns with the established and approved policy plans and principles.
- 2.5. Members of the Supervisory Board do not perform any tasks that by law, Articles of Association or regulations are assigned to the Executive Board.

3. EMPLOYER'S ROLE SUPERVISORY BOARD

- 3.1. The Supervisory Board is responsible for a well-functioning Executive Board with a good and balanced composition.
- 3.2. The Supervisory Board establishes the size and composition of the Executive Board.
- 3.3. The Supervisory Board appoints, suspends, dismisses and discharges the members of the Executive Board.
- 3.4. The Supervisory Board establishes the remuneration, contract duration, legal position and other employment conditions of the individual members of the Executive Board.
- 3.5. The Supervisory Board requests advice from the sitting Executive Board before it takes a decision about changes in the composition of the Executive Board.
- 3.6. The Supervisory Board draws up a profile for a member that is to be appointed to the Executive Board. Prior to the appointment of a Director, it ascertains the person's employment history, integrity, quality and suitability for the position and whether there are conflicts of interest or additional positions that the Director holds that could hinder them in this position.
- 3.7. The Supervisory Board enables the Works Council to issue in advance advice about the profiles and the appointment of persons as a member of the Supervisory Board.
- 3.8. On the basis of legal, statutory and regulatory provisions, the Supervisory Board draws up a procedure for the recruitment, selection and appointment of the board member for which a vacancy exists.

For the tasks stated in this article, the Supervisory Board is supported, in particular, by the Selection and Remuneration Committee. In the regulation of this committee, the composition, competence and method of working are further described.

4. COMPOSITION SUPERVISORY BOARD; CONFLICTS OF INTEREST

4.1. Overall profile of the Supervisory Board

4.1.1. The Supervisory Board draws up a profile for the entire Supervisory Board, which includes at least provisions about areas of expertise, skills and diversity. The Supervisory Board verifies whether the general profile is still sufficient when a vacancy arises in the Supervisory Board, whether this is due to a member of the Supervisory Board resigning according to the resignation schedule or due to a vacancy that arises in the Supervisory Board for whatever other reason. For this, the Supervisory Board will also request advice from the Executive Board. If necessary, the Supervisory Board will modify the profile.

4.1.2. The profile for the Supervisory Board as a whole should lead to the Supervisory Board having a composition such that:

- there is sufficient affinity with the identity in accordance with the Statutes, with the objectives of the Foundation and with the sector in which the Foundation works;
- a broad societal connection and a functional network is achieved;
- various civil society backgrounds, areas of expertise are represented, as well as diversity according to sex, age, regional connection and disciplines;
- the members of the Supervisory Board operate independently and critically relative to each other and to the Executive Board;
- an adequate advisory and reflective function is provided vis-à-vis the Executive Board.

4.2. Focus areas

The Supervisory Board will mutually agree upon an allocation of focus areas. In general, the focus areas will be determined by the background, discipline and expertise of the members of the Supervisory Board. However, a possible allocation does not lessen the responsibility for the integral supervision that the Supervisory Board needs to provide.

The Supervisory Board distinguishes the following focus areas in this regard:

- Governance
- Finances/ICT
- HRM
- Integrity
- Communication and fundraising
- Development cooperation and emergency relief
- Identity
- Voluntary work

A separate portfolio holder has been appointed within the Supervisory Board to oversee integrity. The purpose and tasks of this supervision are further elaborated in appendix 1.

4.3. Profile member of the Supervisory Board

- 4.3.1. The Supervisory Board draws up a profile for the members of the Supervisory Board in which the general qualities and characteristics expected from a member of the Supervisory Board are stated and supplements this (if possible per seat) with specific details about background, discipline and expertise. The Supervisory Board enables the Executive Board to issue prior advice about the general and specific profile.
- 4.3.2. The Supervisory Board members are expected to keep abreast of developments in the area of the objectives and activities of the Foundation.
- 4.3.3. At least at the moment when a vacancy arises, whether or not that is due to schedule, the Supervisory Board will check whether the profile for the position concerned is still satisfactory and still fits within the profile of the Supervisory Board.

4.4. The chair

- 4.4.1. The chair of the Supervisory Board will be appointed by the Supervisory Board from among its members.
- 4.4.2. Specific characteristics and qualities are expected from the chair of the Supervisory Board. The chair should, in particular:
 - have the ability to fulfil the position of chair of the Supervisory Board with expertise and natural authority;
 - possess a personality and background suited to fulfil a leadership role in the opinion-forming and decision-taking of the Supervisory Board;
 - possess insight into and an overview of the tasks and function of the Supervisory Board and Executive Board;
 - possess the necessary characteristics and charisma to, if required, fulfil an external role in the interest of the Foundation and the institution affiliated with it.
- 4.4.3. In consultation with the Executive Board, the chair draws up the agenda for the meetings, chairs the meetings of the Supervisory Board and is the Supervisory Board's first point of contact for the Executive Board and any other parties involved.
- 4.4.4. If the Supervisory Board needs to go public about something, the chair will usually be the spokesperson or, if the chair is unable to attend, the vice-chair.

4.5. Vice-chair

- 4.5.1. In the event of the absence or inability of the chair to attend, the vice-chair will fulfil the tasks assigned to the chair on the basis of law, the Articles of Association or this regulation.
- 4.5.2. The vice-chair provides the chair advice and assistance and gives him or her both solicited and unsolicited advice.

4.6. Conflicts of interest

- 4.6.1. The functioning of a member of the Supervisory Board is characterised by integrity and an independent attitude.
- 4.6.2. Every form of personal prejudice and/or conflict of interest of a member of the Supervisory Board and the Foundation must be prevented, and any semblance of this must be avoided.
- 4.6.3. A member of the Supervisory Board immediately reports to the chair and other members of the Supervisory Board every (potential) form and/or semblance of a conflict of interest and provides them with all relevant information about this.
- 4.6.4. The other members of the Supervisory Board, as quickly as possible, and in the absence of the member concerned, get together to decide whether there is indeed a conflict of interest and possibly discuss how the conflict of interest can be prevented or ended.
- 4.6.5. If the Supervisory Board is of the opinion that there exists an incidental conflict of interest for which a temporary solution is possible, then the Supervisory Board member in question will cooperate with this temporary solution. This temporary solution should at least entail that the Supervisory Board member does not participate in the discussion and decision-taking about a subject or transaction in which (the semblance of) a conflict of interest could occur.
- 4.6.6. If the Supervisory Board is of the opinion that there is a structural conflict of interest, then the Supervisory Board member concerned will ensure that the conflict of interest is brought to an end or he or she will resign.
- 4.6.7. If the Supervisory Board member concerned does not immediately take measures to bring the conflict of interest to an end, or does not resign at his or her own initiative, then the member concerned will be dismissed by the Supervisory Board.
- 4.6.8. If the chair of the Supervisory Board has a (potential) conflict of interest, then another member of the Supervisory Board will act as the chair until the moment at which that conflict of interest is ended or, in the case that the conflict of interest leads to the resignation of the chair, until such time as the chair is replaced.
- 4.6.9. Members of the Supervisory Board will provide insight into their main and additional positions in the annual report.

5. APPOINTMENT OF SUPERVISORY BOARD MEMBERS

- 5.1. The Supervisory Board establishes and publishes the fact that there is a vacancy.
- 5.2. In principle, members of the Supervisory Board are recruited in an open procedure.
- 5.3. The Selection and Remuneration Committee advises in accordance with its regulation about the recruitment, selection and appointment of candidates, and about the reappointment of members of the Supervisory Board.

6. END OF MEMBERSHIP

6.1. Resignation schedule

- 6.1.1. The Supervisory Board approves a resignation schedule.
- 6.1.2. The resignation schedule is drawn up in a manner that safeguards the continuity in the composition of the Supervisory Board.
- 6.1.3. Pursuant to the Statutes, a member who resigns in accordance with the schedule can be reappointed twice for a period of four years. In case of reappointment, the Supervisory Board in good time deliberates the profile for the position in question and once again carefully considers whether the member is sufficiently equipped for the supervisory tasks for the coming years.

6.2. Resignation, suspension and dismissal

- 6.2.1. A Supervisory Board member must resign at his or her own initiative should there exist one or more statutory reasons for dismissal.
- 6.2.2. If the Supervisory Board is of the opinion that there exists one of the statutory reasons for suspension or dismissal and the concerned Supervisory Board member does not resign at his or her own initiative or does not step down temporarily, then the Supervisory Board will take a decision to dismiss or suspend the member in accordance with the provisions in the Articles of Association.
- 6.2.3. Before the Supervisory Board takes the decision to suspend or dismiss a Supervisory Board member, the member concerned will be given the opportunity to be informed of the intentions of the Supervisory Board and will be allowed to make his or her view on the matter known.
- 6.2.4. Before the possible public announcement about the suspension or dismissal, the Supervisory Board, the concerned member of the Supervisory Board and the Executive Board will agree upon a course of action. If there is a difference of opinion about this, the Supervisory Board will decide the matter.

7. WORKING METHOD AND DECISION-TAKING SUPERVISORY BOARD

7.1. Decision-taking

7.1.1. The Supervisory Board will appoint a chair and vice-chair from among its members.

7.1.2. Unless stated otherwise in the Articles of Association, the Supervisory Board will take decisions by a simple majority of the votes cast.

7.1.3. Blank votes will be considered votes not cast.

7.1.4. In all cases of differences concerning votes that are not provided for in the Articles of Association, the chair will take the decision.

As long as in a meeting of the Supervisory Board, all members in function are present or represented, legitimate decisions can be taken about all considered subjects, as long as this is done unanimously, even if the provisions in the Articles of Association for calling and holding meetings have not been complied with.

7.2. Meetings

7.2.1. The Supervisory Board meets at least three times per calendar year and, moreover, as often as the chair or two or more members consider that to be desirable.

7.2.2. The decision-taking of the Supervisory Board can, in exceptional cases, take place during meetings of the Supervisory Board that are convened in accordance with that which is stated in the Articles of Association. The Supervisory Board can also take decisions outside of meetings in the manner as determined in the Articles of Association.

7.2.3. The following have access to the meeting:

- the members of the Supervisory Board;
- the Executive Board, unless the Supervisory Board states that it wants to meet without the Executive Board, in which case the chair of the Supervisory Board will broadly inform the Executive Board after the meeting about what was discussed, with due consideration for matters discussed in confidence;
- other persons, as long as the majority of the members of the Supervisory Board consent to that.

7.2.4. In general, the chair of the Supervisory Board prepares, in consultation with the Executive Board, the meetings of the Supervisory Board. Decisions from the Executive Board, which pursuant to the Articles of Association or otherwise require the approval of the Supervisory Board, are put on the agenda in writing and substantiated.

7.3. Secretariat

The chair of the Supervisory Board ensures that the Supervisory Board is supported by an adequate secretariat, including the archiving of the documents from the Supervisory Board. The archive of the Supervisory Board is accessible at all times for members of the Supervisory Board.

8. PROVISION OF INFORMATION

- 8.1. The Supervisory Board and the individual members of the Supervisory Board have the responsibility to demand all information they need from the Executive Board and the external accountant in order to be able to fulfil their tasks well. If the Supervisory Board considers this to be necessary, then it can obtain information from officers, bodies and (external) advisers of the Foundation.
- 8.2. The Executive Board provides the Supervisory Board in good time with all information necessary for a proper performance of the duties of the Supervisory Board. Should this be necessary, the Executive Board and Supervisory Board make further agreements about the provision of information.
- 8.3. If the Foundation in any way whatsoever receives negative publicity or is at risk of that being the case, then the Executive Board will inform the members of the Supervisory Board about this with as much notice as possible. The Executive Board will provide copies of relevant publications to the Supervisory Board.
- 8.4. Every member of the Supervisory Board shall treat all information and documentation that he or she receives in the context of performing the supervisory function with the necessary discretion. In case of confidential information, all members of the Supervisory Board will treat this confidentially and will not disclose this outside of the Supervisory Board and Executive Board, also not after leaving the board, unless and insofar as there exists a legal obligation to do so.

9. INTERNAL CONSULTATION AND ATTENDANCE OF THE SUPERVISORY BOARD

- 9.1. At least once a year, a delegation of the Supervisory Board is present at a meeting of the Executive Board with the Works Council of the Foundation. If so desired, the Supervisory Board and Executive Board can make agreements concerning the attendance of the Supervisory Board at other meetings within the Foundation.
- 9.2. If that is desirable for carrying out its supervisory function, and as long as it informs the Executive Board in advance, the Supervisory Board can also contact the Works Council or others within the Foundation without the Executive Board being present.

10. COMMITTEES

- 10.1. From among its members, the Supervisory Board appoints committees that include at least an Audit Committee and a Selection and Remuneration Committee. Under the full responsibility of the Supervisory Board, the committees prepare the decision-taking of the Supervisory Board and issue advice to the Supervisory Board.
- 10.2. The Supervisory Board draws up a regulation for each appointed committee.

11. EVALUATION AND PERMANENT DEVELOPMENT

11.1. Supervisory Board

- 11.1.1. The Supervisory Board evaluates its functioning once a year and ensures that the outcomes of this process are recorded. The Executive Board is not present at the evaluation unless the Supervisory Board requests its presence. Part of this evaluation is the collaboration between the Supervisory Board and the Executive Board. Before the evaluation, the Supervisory Board informs itself about the vision of the Executive Board concerning the functioning of the Supervisory Board, and it also informs the Executive Board about the outcomes of the evaluation.
- 11.1.2. If desired, the Supervisory Board can hire an independent external expert to guide this evaluation.
- 11.1.3. The planning and initiation of the self-evaluation by the Supervisory Board is the task of the Selection and Remuneration Committee.
- 11.1.4. The Supervisory Board ensures a satisfactory introduction programme for new members and the transfer of knowledge by departing members.
- 11.1.5. The costs associated with the development of the Supervisory Board and its members, and the introduction of new members, will be met by the Foundation.

11.2. Evaluation functioning directors

The regulation of the Selection and Remuneration Committee contains provisions concerning the evaluation of the directors.

11.3. Evaluation external accountant

The regulation of the Audit Committee contains provisions concerning the evaluation of the external accountant.

12. ACCOUNTABILITY

The Supervisory Board provides external accountability concerning its functioning by providing a report about its activities in the Foundation's annual report.

13. CHANGE TO THE REGULATION

This regulation can be changed by means of a decision of the Supervisory Board. Before a change is made, advice is sought from the Executive Board.

14. FINAL PROVISION

In all cases not provided for by this regulation, the Supervisory Board, after consultation with the Executive Board, will take a decision in accordance with legal provisions and the Articles of Association.

Appendix 1: Description Role Portfolio Holder Integrity of the Supervisory Board (approved in meeting of Board of Supervisors on 27-09-2024)

Objective:

Overall, it is about promoting and maintaining integrity within the organization, with each employee aware of his or her role and responsibility in maintaining ethical standards.

General Responsibilities:

The supervisor with integrity focus is tasked with ensuring compliance with integrity policies within the organization (*according to Partos 9001 - 7.1.4*). This includes supervision of the implementation of policies and practices that promote the integrity of management and all employees. As a member of the supervisory body, liaises with the Executive Board member (CEO or COO) who is ultimately responsible for the subject of integrity.

The integrity supervisor functions as a vital link between the Board of Supervisors and the Executive Board, ensuring that integrity oversight takes place and remains an ongoing and central theme within all levels of the organization

Specific Duties:

Periodic Consultations:

The supervisor has a formal meeting at least once a year with the responsible Executive Board member and the integrity officer and/or HR manager to discuss integrity challenges and progress. This also includes discussions and outcomes within the management team (IMT/NL-MT).

Communications at Incidents:

To ensure efficient and transparent communication in critical incidents that may violate the organization's integrity standards, the line below applies. In serious integrity issues, the integrity portfolio holder of the SB is informed directly by a member of the Executive Board. In exceptional matters where a responsible member of the Executive Board is the subject of an integrity issue, an integrity officer and/or HR manager can contact the portfolio holder within the Supervisory Board directly.

Annual Agenda-Setting:

The Integrity Portfolio Holder ensures that integrity is on the Supervisory Board (SB) agenda at least once a year, based on periodic consultation(s) and other communications.