

## DESIGN ACADEMY EINDHOVEN

### AUDIT COMMITTEE BYLAWS

#### **Article 1**                      **Introductory provisions**

- 1.1      These Bylaws of the Audit Committee were adopted by the Supervisory Board of Design Academy Eindhoven in accordance with the Good Governance Code for the Higher Educational Sector of October 2013.

#### **Article 2**                      **Composition and organisation**

- 2.1      The Audit Committee is elected from the Supervisory Board and shall consist in principle of two members. One of the members, not being the Chair of the Supervisory Board or a former Director of the Academy, acts as Chair. At least one of the members, preferably the Chair, is a financial expert within the meaning of the relevant provision in the Good Governance Code for the Higher Educational Sector.
- 2.2      The composition of the Audit Committee is shown in the appendix to these Bylaws. The composition of the Committee is also disclosed in the Annual Report and via the website of Design Academy Eindhoven.
- 2.3      The Committee meets at least twice a year. Meetings can be convened by each of the Committee members.
- 2.4      The meetings are attended by the Chair or a member of the Executive Board and the head of the Finance Department. In principle, the external auditor is present at the meetings in which the financial statements are discussed. Where appropriate, the external auditor can request the Committee Chair to attend a meeting of the Committee.
- 2.5      At least once a year the Audit Committee shall discuss the general conduct of affairs at the Academy with the external auditor without the Executive Board present.
- 2.6      Reports of the meetings are made available as promptly as possible to the Committee members and to the other members of the Supervisory Board as well as to the Executive Board and the external auditor.

#### **Article 3**                      **Objective, duties and responsibilities**

- 3.1      The Audit Committee shall support the Supervisory Board with its decision-making within the Committee's area of expertise. The Committee has no independent decision-making powers; the entire responsibility rests with the Supervisory Board.
- 3.2      The Audit Committee focuses on the supervision of the Executive Board in relation to:
- a. the operation of the internal risk management and control systems, including the supervision of compliance with relevant laws and regulations, the supervision of the operation of the integrity codes and the supervision of the work plan of the Finance Department;
  - b. the provision of financial information by the Academy (funding rules, choice of accounting policies, application and assessment of effects of new rules, insight into the treatment of "estimated items" in the financial statements, forecasts, relevant external audit work, etc.);
  - c. adherence to recommendations and follow-up actions on comments of the external auditors.
- 3.3      The duties and responsibilities of the Audit Committee in relation to the external auditor are as follows:

- a. acting as point of contact for the external auditor when irregularities are identified in the content of the financial reports;
  - b. assessing how the auditor is involved in the content and publication of financial reports and disclosures, other than the financial statements;
  - c. advising the Supervisory Board on the appointment of the external auditor;
  - d. reporting annually to the Supervisory Board on the developments in relation to the external auditor, with a specific focus on independence (including the desirability of rotating the partner in charge within the external audit firm that has been entrusted with the audit and the desirability of the same firm performing non-audit work for the Academy);
  - e. reporting annually on, and conducting a thorough assessment at least once every four years of, the performance of the external auditor within the various entities and in the different capacities in which the external auditor acts;
  - f. the involvement of the external auditor in drawing up the work plan of the Finance Department.
- 3.4 The Audit Committee can focus on other issues in the field of finance or internal control, either at its own initiative or on request of the Supervisory Board.
- 3.5 The Executive Board is responsible for providing the Committee with timely, accurate and complete information. The Committee is authorised, within its area of responsibility, to request all information inside or outside the Academy that it considers necessary. If necessary, the Committee shall seek professional advice.
- 3.6 The Audit Committee reports to the Supervisory Board. It informs the Supervisory Board of its most important considerations and findings as well as of any circumstances and issues that are of material importance to the decision-making by the Supervisory Board.

#### **Article 4 Entry into force and publication of these Bylaws**

- 4.1 These Bylaws enter into force on 20 May 2015 and are published on the website of the Academy. The Bylaws were adopted in the meeting of the Supervisory Board on 20 May 2015.

Appendix

**Composition of the Audit Committee as at July 2017**

**Chair** Willemien Boot

**Member** Paul Scholte