

DESIGN ACADEMY EINDHOVEN

SUPERVISORY BOARD BYLAWS

I MEMBERS, APPOINTMENT OF MEMBERS, INDEPENDENCE AND CONFLICT OF INTERESTS

Article 1

1. The Academy has a Supervisory Board comprising at least five and at most twelve members.
2. The members of the Supervisory Board can only be natural persons with a broad understanding of society, relevant social contacts and relevant administrative experience at a high level.
3. At least one member of the Supervisory Board is an expert in financial matters.
4. The Supervisory Board aims at a balanced representation of men and women in its composition.

Article 2

1. The Supervisory Board should be composed in such a way that the members can operate independently of and critically towards each other, the Executive Board and any partial interest whatsoever.
2. Any semblance of conflicts of interest between the Academy and members of the Supervisory Board shall be avoided.

Article 3

- 1 The members of the Supervisory Board are appointed by the Supervisory Board. The appointments are made with due regard to a profile adopted by the Supervisory Board upon the proposal of the Executive Board.
- 2 The Executive Board can recommend persons for appointment as members of the Supervisory Board to the Supervisory Board and has the right to advise the Supervisory Board on the proposed appointment. To this end, the Supervisory Board shall inform the Executive Board in good time when and for what reason a vacancy needs to be filled in the Supervisory Board. The Supervisory Board shall notify the Executive Board of the name of the person that it wishes to appoint, also stating his or her age, profession and current positions.

Article 4

1. Membership of the Supervisory Board is not compatible with:
 - a. board membership of a legal entity that maintains a higher education institution;
 - b. membership of the Executive Board of any higher education institution;
 - c. being a member of staff of Design Academy Eindhoven;
 - d. being a student within the meaning of Chapter 7, Title 3 of the Higher Education and Research Act (WHW), enrolled with Design Academy Eindhoven;
 - e. having a substantial interest in the supply of goods and services to Design Academy Eindhoven.

Article 5

The Academy or any legal entities falling under the Academy shall not provide any personal loans or guarantees to members of the Supervisory Board.

Article 6

A member of the Supervisory Board shall not participate in the discussion and decision-making on any issue or transaction in which that member has an interest.

Article 7

A member of the Supervisory Board with an actual or potential personal interest or conflict of interest in an issue or transaction that is the subject of discussion and decision-making shall immediately report this to the Chair of the Supervisory Board and disclose all relevant information. If the Chair of the Supervisory Board has an actual or potential interest or conflict of interest, he or she shall report this to the Vice-Chair of the Supervisory Board. The member in question shall not participate in the Supervisory Board's assessment as to whether an actual or potential interest exists.

Article 8

When a member of the Supervisory Board moves to a new position, he or she shall report this insofar as relevant to the fulfilment of their membership of the Supervisory Board. The Supervisory Board assesses whether the new position is compatible with their membership of the Supervisory Board and decides on any consequences for the member's role in the Supervisory Board.

Article 9

The Annual Report shall at least contain the following information about the members of the Supervisory Board: age, gender, main position and relevant outside positions insofar as these are significant for the fulfilment of the duties as a member of the Supervisory Board. The date of the member's first appointment and the current term of office must also be stated.

II REMUNERATION OF SUPERVISORY BOARD MEMBERSHIP

Article 10

1. The Supervisory Board sets the remuneration of the members of the Supervisory Board upon the recommendation of the Executive Board.
2. The remuneration of members of the Supervisory Board is such that no relationship of dependence with the Academy can arise.
3. The remuneration of the members of the Supervisory Board is not dependent on the results of the Academy.

Article 11

If a member joins or leaves the Supervisory Board halfway through a calendar year, the remuneration shall be paid out pro rata.

III END OF SUPERVISORY BOARD MEMBERSHIP

Article 12

Membership of the Supervisory Board ends:

- a. at the end of the term of office;
- b. upon death;
- c. upon the member's request;
- d. upon dismissal pursuant to Article 298, Book 2 of the Dutch Civil Code;
- e. if the Supervisory Board, excluding the member in question, decides *unanimously* to dismiss the member of the Supervisory Board;
- f. if the member is granted suspension of payments, declared bankrupt or placed under curatorship.

Article 13

1. Members of the Supervisory Board sit on the Board for a term of four years and can be reappointed once for the same term.
2. Members of the Supervisory Board shall retire from the Board upon the expiry of their term of office according to a retirement schedule as determined by the Supervisory Board.

Article 14

The person who is appointed in the interim to a vacancy in the Supervisory Board shall start the four-year term of office on that date.

Article 15

Members of the Supervisory Board must retire before the end of their term by means of a written letter of resignation if this is necessary due to inadequate functioning, incompatibility of interests or any other reason.

IV FUNCTIONING OF THE SUPERVISORY BOARD**Article 16**

The Supervisory Board selects from its members a Chair and Vice-Chair. The Vice-Chair replaces the Chair in the latter's absence.

Article 17

1. With the exception of the decisions mentioned in Article 12 (e) and Article 40 of these Bylaws, all decisions of the Supervisory Board are taken with an absolute majority of validly cast votes.
2. The Chair has the casting vote if the vote is tied.
3. The Chair decides in all disputes relating to votes.

Article 18

1. Before each calendar year, the Supervisory Board adopts a schedule of meetings.
2. If the proper exercise of its duties and powers requires the Supervisory Board to hold consultations that cannot be reasonably postponed until the next scheduled meeting, the Chair is authorised to call an unscheduled meeting.

Article 19

The Chair of the Supervisory Board has regular contact with the Executive Board. The meetings of the Supervisory Board are in principle prepared by the Chair. The Chair of the Supervisory Board or, in his or her absence, the Deputy Chair, carries specific responsibility for:

- a. preparing the meetings of the Supervisory Board, while ensuring that the members of the Supervisory Board receive in good time all information required for the proper performance of their duties;
- b. adopting the agenda and leading the meetings, while ensuring that sufficient time is available for the deliberations and decision-making by the Supervisory Board;
- c. the proper functioning of the committees of the Supervisory Board;
- d. the involvement in external representation at the request of the Executive Board;
- e. the annual assessment of the functioning of the Supervisory Board;
- f. the annual assessment of the functioning of the individual members;
- g. the annual assessment of the functioning of the members of the Executive Board;
- h. the smooth interaction between the Supervisory Board and the Executive Board and Staff Council.

Article 20

The Supervisory Board meets at least four times a year with the Executive Board. The Executive Board shall put a board secretary at the disposal of the Supervisory Board. The secretary prepares the draft agenda and submits this for approval to the Chair of the Executive Board and, subsequently, to the Chair of the Supervisory Board. Agenda and documents are sent one week in advance. The secretary to the Executive Board draws up the minutes as well as a decisions list and actions list for each meeting.

Article 21

The minutes of meetings of the Supervisory Board are adopted in the next meeting after being sent to the members of the Supervisory Board and, in the event of meetings as referred to in Article 20, after being sent to the members of the Executive Board.

Article 22

The Supervisory Board shall communicate decisions taken in meetings at which the Executive Board is not present as promptly as possible to the Executive Board.

Article 23

The Chair of the Supervisory Board can invite other persons to attend the meeting.

Article 24

Members of the Supervisory Board who are frequently absent from meetings shall be called to account for this by the Chair of the Supervisory Board.

Article 25

The Executive Board shall provide the Supervisory Board in good time with all information necessary for the performance of its duties.

Article 26

If information or signals that are relevant from a supervisory perspective for the proper operation of the Academy come to the knowledge of a member of the Supervisory Board from a source other than the Executive Board or Supervisory Board, he or she shall communicate said information as promptly as possible to the Chair. This information shall be discussed at the next meeting of the Supervisory Board, or earlier if the Chair considers this necessary, and the Executive Board shall be notified.

V NOMINATION, DELEGATION, COMMITTEE, REMUNERATION COMMITTEE

Article 27

The Supervisory Board can, also at the request of the Executive Board, nominate one or more of its members to deal with a specific subject such as the financial statements.

Article 28

The Supervisory Board can delegate specific tasks to its members. Delegation serves to achieve more intensive supervision and advice and more regular consultation with the Executive Board. The delegation is temporary and cannot displace the duties and powers of the Supervisory Board. The delegated member remains a member of the Supervisory Board.

Article 29

1. The Supervisory Board can appoint committees from its members to prepare the decision-making of the Supervisory Board.
2. The Supervisory Board draws up Bylaws for each committee. The Bylaws set out the role and responsibilities of the committee, its composition and the manner in which it performs its duties.

3. Each committee shall provide the Supervisory Board with a report on its deliberations and findings.
4. The Supervisory Board shall disclose in the Annual Report the composition of the individual committees, the number of meetings of the committees, as well as the most important subjects discussed.

Article 30

The Supervisory Board can set up a remuneration committee, which has the following duties:

1. drawing up selection criteria and an appointment procedure for members of the Supervisory Board and members of the Executive Board;
2. drawing up a profile of the Supervisory Board;
3. making a proposal to the Supervisory Board concerning the remuneration policy to be pursued;
4. making a proposal to the Supervisory Board concerning the remuneration of the individual members of the Executive Board;
5. preparing a remuneration report for discussion and adoption by the Supervisory Board that shall at least contain:
 - a. a report on the manner in which the remuneration policy was put into practice in the past financial year;
 - b. the disclosure and explanation of any special remunerations paid or promised to a current or former member of the Executive Board;
 - c. a summary of the remuneration policy envisaged by the Supervisory Board for the coming and subsequent financial years.

VI SUPERVISORY BOARD DUTIES

Article 31

1. The Supervisory Board is entrusted with the supervision of the policy of the Executive Board and the general conduct of affairs within the Academy. The Supervisory Board assists the Executive Board with advice and supports the Executive Board in matters relating to relationship management and networking at political/administrative level. The Supervisory Board performs its duties in the best interests of the Academy.
2. The supervision referred to in the first section of this Article at least comprises:
 - a. the achievement of the Academy's objectives, with due regard to its principles;
 - b. the strategy of and risks associated with the Academy's activities;
 - c. the design and operation of the internal risk management and control systems;
 - d. the quality policy;
 - e. the quality of the horizontal dialogue;
 - f. the financial reporting process;
 - g. compliance with laws and regulations, including laws and regulations relating to funding.

Article 32

The Supervisory Board and its individual members each have their own responsibility to obtain all information from the Executive Board and the external auditor that is necessary for the proper performance of its duties as a supervisory body.

Article 33

1. The Supervisory Board shall consult at least once a year in the presence of the Executive Board with the external auditor about the report on the annual audit, the multi-year forecast and the auditor's report that is based on the management letter for the Executive Board.
2. Part of the consultation referred to in the first section is private and takes place without the Executive Board present.

3. The Supervisory Board and the Executive Board shall jointly assess the functioning of the external auditor at least once every four years. The findings are published in the Annual Report.
4. The Supervisory Board and the external auditor are jointly involved in the audit plan of the internal auditor or controller.

Article 34

1. The Supervisory Board discusses both its own functioning and that of individual members at least once a year without the Executive Board being present. On this occasion, the desired profile, composition and competencies of the Supervisory Board are also discussed. The functioning of the Executive Board and its members is discussed in the same meeting. The resulting conclusions are laid down in writing and submitted to the Executive Board for its information.
2. Prior to the annual appraisal interviews with the members of the Executive Board, the items on which the members of the Executive Board will be assessed are determined by all members of the Supervisory Board jointly.

Article 35

The Supervisory Board consults at least once a year with the Staff Council about the general conduct of affairs within the Academy. Part of this consultation is private and takes place without the Executive Board being present.

Article 36

In the event of the dissolution of the Academy as referred to in Article 40, the Supervisory Board supervises the winding-up process by the Executive Board.

VI SUPERVISION

Article 37

1. The Supervisory Board determines the number of members of the Executive Board.
2. The Supervisory Board appoints, suspends and dismisses the members of the Executive Board.
3. The Supervisory Board appoints a Chair from the members of the Executive Board.
4. The Supervisory Board adopts the employment conditions of the Executive Board, with due regard to the provisions in Article 31.

Article 38

In the event of the absence or unavailability of all members or the only member of the Executive Board, the Supervisory Board shall be tasked with the management of the Academy, in which case the Supervisory Board is authorised to nominate one or more persons, either from its midst or elsewhere, to temporarily manage the Academy.

Article 39

The Supervisory Board represents the Academy in and out of court if:

- a. the Executive Board consists of a single member or if the Executive Board consists of several members but only one member is temporarily charged with the management of the Academy, and
- b. there is a conflict of interest between the Academy and the member of the Executive Board referred to above in a.

Article 40

1. The decision to grant or withhold prior approval for the dissolution of the Academy must be taken with a majority of at least two thirds of the validly cast votes in a meeting in which all members of the Supervisory Board are present or represented.
2. If not all members of the Supervisory Board are present or represented in the meeting referred to in section 1, a new meeting shall be convened within a term of 4 weeks. This meeting can make the decision to grant or withhold approval with a majority of at least two thirds of the validly cast votes, irrespective of the number of members of the Supervisory Board that is present or represented at the meeting.

Article 41

The Supervisory Board or one or more members nominated by the Supervisory Board have access to all locations of the Academy and the right to inspect all books and documents of the Academy at all times.

Article 42

The Supervisory Board can, at the Academy's expense, obtain advice from experts if the Supervisory Board considers this desirable for the proper conduct of its duties.

These Bylaws were drawn up in the meeting of the Supervisory Board on 14 December 2015, after consulting the Works Council.