

**BOARD RULES**  
**of the**  
**University of the Arts The Hague**  
**with registered office in The Hague**

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**Preamble**

The Executive Board and the Supervisory Board are responsible for the structure and application of the university's system of corporate governance and for compliance with the Code of Good Governance of the Netherlands Association of Universities of Applied Sciences.

The main principles of the university's corporate governance structure, based in part on the principles laid down in the code for the sector, are explained in a separate chapter of the annual report. If no major changes have been made in the system of governance compared with the previous reporting year, only the changes are reported. The complete up-to-date governance structure is posted on the university's website.

The description of the governance structure explicitly describes how the provisions of the sector code of governance are followed and what solutions the university has chosen in those instances where they are not followed.

Every material change in the university's corporate governance structure and in the compliance with the sector code is submitted for the approval of the Supervisory Board as a specific agenda item.

# Chapter 1. The Executive Board

## 1.1 Duties and procedures (Article 6, Articles of Association)

1.1.1 The Executive Board is charged with managing the University, which it does by implementing the relevant provisions of the Articles of Association and these Board Rules.

The duties of the Executive Board are:

- a. to achieve the objectives of the University;
- b. to formulate the strategy and determine the risks attached to the institution's activities;
- c. to guarantee the structure and effectiveness of the internal risk management and control systems;
- d. to formulate the quality policy;
- e. to formulate a vision for education and research in the areas of arts and culture and to communicate that vision to artists, art institutions and partners;
- f. to design the financial reporting process;
- g. to guarantee compliance with laws and regulations, including the rules relating to funding.

1.1.2 Without prejudice to the collective responsibility of the Executive Board, in the performance of their duties the director of the Royal Academy of Art (Koninklijke Akademie van Beeldende Kunsten, KABK) and the director of the Royal Conservatoire (Koninklijke Conservatoire) shall devote special attention to the specific areas (relating to the faculties and/or general course of affairs within the university), assigned to each of them by the Supervisory Board after receiving the advice of the Participation Council.

## 1.2 Institutional working plans (Article 7, paragraph 3 under v of the Articles of Association)

1.2.1 The Executive Board is responsible for drafting and/or updating institutional working plans and investment plans for each of the faculties and for both faculties jointly at least once a year.

1.2.2 The institutional working plans will be accompanied by a budget for the necessary financing and staffing.

1.2.3 The institutional working plans and investment plans must always be submitted to the Supervisory Board for its approval and adoption at the earliest possible opportunity.

1.2.4 The Executive Board is responsible for the implementation of the institutional working plans and investment plans adopted by the Supervisory Board.

Material departures from the plans must be approved in advance by the Supervisory Board.

## 1.3 Provision of information (Article 7, paragraph 2 of the Articles of Association)

1.3.1 The Executive Board shall, on its own initiative or at the request of the Supervisory Board, provide the Supervisory Board in good time with any information needed for the performance of its supervisory duties, including:

- information that is relevant for the approval or otherwise of decisions of the Executive Board by the Supervisory Board, including information relating to the annual report, the annual accounts, the budget, the institutional working plans and the investment plans;
- information about matters requiring special attention;
- interim financial information, which shall in principle be provided every quarter;

- information relating to the future outlook for the university, including information about the long-term projections for:
  - the trend in enrolments and the number of registered students;
  - the development of the institution's liquidity, profitability and solvency.
- background information pertinent to the possible development of the university, such as information about market developments, national trends in the development of student numbers, developments in the labour market, etc;
- information relating to compliance with the standards prescribed by central government and the external regulators;
- information about matters relating to the participation councils;
- information concerning the quality of the operations, in particular with regard to the system of internal quality assurance;
- the agendas and minutes of the meetings of the Executive Board and/or the faculty directors and/or proposals for decisions for which the chairperson of the Supervisory Board requires the approval of the Participation Council;
- changes in terms of employment, collective redundancies and/or the appointment or dismissal of senior staff members or the heads of the P&O and Facilities Management departments, the secretary of the Executive Board and directors, or proposals thereto.

#### **1.4. Horizontal dialogue**

- 1.4.1 The Executive Board shall have a vision for education and research in arts and culture and of the variety of functions in those fields, and particularly of the autonomous positions of artists in society. The Executive Board shall translate that vision into a mission and policy objectives. The Executive Board shall provide insight into the realisation of the policy objectives and communicate on it with artists, art institutions and partners in the Netherlands and abroad.
- 1.4.2 The Executive Board shall include the university's vision, mission and policy objectives in the annual report and identify the artists, art institutions and partners to whom it has communicated them.
- 1.4.3 In the annual report the Executive Board shall provide at least an outline of the parties it has consulted on some or all of the following subjects:
- a. the policy on the programme of courses;
  - b. the quality policy;
  - c. the admissions policy;
  - d. the research policy;
  - e. the activities that are organised directly for and in association with social organisations.

#### **1.5 Approval by the Board**

- 1.5.1 Without prejudice to the provisions of Article 6, paragraph 3 of the Articles of Association and Article 1.2, paragraphs 1.2.3 and 1.2.4 of these Rules, the Executive Board requires the prior approval of the Supervisory Board for major decisions, such as:
- the adoption and amendment of the policy relating to the selection of students for courses and the application of a *numerus fixus*;
  - the assumption of obligations, including credit agreements that exceed an amount to be determined by the Supervisory Board; the relevant amount will be fixed for three years and then revised if necessary;

- changes to the main organisational structure, including reorganisations;
- a substantial change in the programme of courses;
- making a declaration of bankruptcy and an application for a suspension of payments;
- making acquisitions;
- entering into joint ventures.

## **1.6 Chairperson of the Executive Board** (Article 4, Articles of Association)

1.6.1 The Executive Board shall have a chairperson and a vice-chairperson.

1.6.2 The duties of the chairperson of the Executive Board are:

- to convene meetings of the Executive Board and to draft the agendas and minutes of the meetings;
- to provide information to the Supervisory Board;
- to monitor compliance with the Articles of Association and these rules and supervise any amendments to them that may be required;
- to monitor compliance with and identify the need for amendment of the decisions of the Supervisory Board, the Executive Board and of one or both of the faculty directors;
- to implement the institutional working plans;
- to monitor the effective functioning of the Executive Board.

## **1.7 Decision-making**

1.7.1 Resolutions of the Executive Board on matters concerning the university shall be adopted by consensus wherever possible. Failing that, the Executive Board shall request the (binding) advice of the Supervisory Board.

## **1.8 Suspension and/or annulment of resolution of the Executive Board** (Article 9, Articles of Association)

1.8.1 The Supervisory Board shall draw up rules for the suspension and/or annulment of resolutions of the Executive Board.

## **1.9 Schedule of meetings**

1.9.1 In principle the Executive Board shall meet twice a month.

1.9.2 During these meetings the members will report to one another on – among other things – the course of affairs in relation to the matters referred to in Articles 1.3 and 1.4 of these Rules.

## **1.10 Representation in law** (Article 6, Articles of Association)

1.10.1 The Executive Board shall promptly inform the Supervisory Board of any disputes and/or legal actions to which the university or either of the faculties is a party.

1.10.2 If the Supervisory Board so decides, the Executive Board shall delegate the handling of the matter to the Supervisory Board.

- 1.10.3 In the event of a conflict of interest in the matter between the Executive Board on the one hand, and the university or one or more members of the Executive Board on the other, the university shall be represented in law by the chairperson of the Supervisory Board.

### **1.11 Conflicts of interest**

- 1.11.1 Any form or appearance of a conflict of interest between the university and members of the Executive Board shall be avoided. Resolutions to enter into transactions involving conflicting interests of members of the Executive Board that are of material significance for the university and/or the relevant members of the Executive Board must be approved by the Supervisory Board.
- 1.11.2 A member of the Executive Board shall promptly report a (potential) conflict of interest that is of significance for the university and/or for the relevant member of the Executive Board to the chairperson of the Supervisory Board and to the other members of the Executive Board and shall provide all relevant information about it, including any information relevant to the situation concerning his spouse, registered partner or other life companion, foster child and relative by blood or marriage up to the second degree. The Supervisory Board shall decide whether there is a conflict of interest in the absence of the relevant member of the Executive Board.
- 1.11.3 A member of the Executive Board shall not take part in the discussion and the decision on any subject or transaction in relation to which that member has a conflict of interest.
- 1.11.4 Resolutions to enter into a transaction which involve conflicts of interest of members of the Executive Board that are of material significance for the university and/or the relevant members of the Executive Board require the prior approval of the Supervisory Board. Notice of such transactions will be published in the annual report.
- 1.11.5 The acceptance by a member of the Executive Board of a position in the Supervisory Board of another large legal entity must be approved by the Supervisory Board. Ancillary functions must be notified to the Supervisory Board with an indication of the time involved in the activities and the remuneration. Before accepting any other ancillary function, the relevant member of the Executive Board shall consult the chairperson of the Supervisory Board, who may withhold his approval.

### **1.12 Risk management and control system**

- 1.12.1 The university has an internal risk management and control system that is tailored to its activities. The instruments of internal risk management and control employed by the university in any case include:
- a. risk analyses of the university's operational and financial objectives;
  - b. a code of integrity, which is posted on the university's website;
  - c. a quality assurance system, which is matched to the statutory requirements for accreditation and the strategic objectives of the university;
  - d. handbooks for the compilation of the financial reports and budgets, as well as the procedures to be followed in drafting them;
  - e. a monitoring and reporting system.
- 1.12.2 The Executive Board shall provide insight into the internal risk management and control systems in the annual report.

### **1.13 Actions in response to irregularities**

- 1.13.1 The Executive Board is responsible for ensuring that employees can report alleged irregularities of a general, operational and financial nature within the university to the chairperson of the Executive Board or to an official designated by him without risk to their legal position.  
Alleged irregularities relating to the performance of members of the Executive Board shall be reported to the chairperson of the Supervisory Board.  
The whistleblower's scheme shall at least be posted on the university's website.
- 1.13.2 The Executive Board is responsible for ensuring that students and staff members are able to report undesirable conduct to an official designated by the Executive Board without risk to their studies or legal position.  
The 'Code of Conduct on Standards of Behaviour of the University of the Arts The Hague' – also known as the Code of Integrity – shall at least be posted on the university's website.

### **1.14 Remuneration of members of the Executive Board**

- 1.14.1 The explanatory notes to the annual financial statements shall in any case include information about the amount and the structure of the remuneration of the individual members of the Executive Board. The Supervisory Board shall determine the remuneration of the individual members of the Executive Board, on a proposal from the remuneration committee or otherwise, subject to the terms of the policy laid down in the Public and Semi-Public Sector Senior Officials (Standard Remuneration) Act (*Wet Normering Topinkomens*).
- 1.14.2 The university shall not provide private loans, guarantees or similar facilities to the members of the Executive Board.
- 1.14.5 The principal elements of the contracts of the members of the Executive Board with the university shall be published in the annual report.

## Chapter 2. The Supervisory Board

### 2.1 Duties and procedures

- 2.1.1 The Supervisory Board is charged with supervising the policy pursued by the Executive Board (see Article 7 of the Articles of Association) and the general course of affairs within the university and with providing advice to the Executive Board.
- The Supervisory Board shall be guided by the interests of the university in the performance of its duties, taking into account the relevant interests of the university's stakeholders.
- The Supervisory Board is responsible for the quality of its own performance.
- 2.1.2 The Supervisory Board has the powers and duties laid down in the articles of association (in particular Article 7) and in these Rules. In the event of a conflict between the provisions of the articles of association and these Rules, the provisions of the articles of association shall prevail.
- 2.1.3 The supervision exercised by the Supervisory Board over the Executive Board also extends to:
- the realisation of the university's objectives;
  - the strategy and the risks attached to the institution's activities;
  - the structure and effectiveness of the internal risk management and control systems;
  - the quality policy;
  - the vision of education and research in arts and culture, as well as the communication of that vision to artists, art institutions and partners;
  - the financial reporting process;
  - compliance with laws and regulations, including the rules relating to funding.
- 2.1.4 The Supervisory Board may allocate its duties. The Supervisory Board may establish committees and entrust the preparations for the performance of its tasks to these committees. The Board shall determine the mandate of these committees, their procedures and the method by which they will report to the Board.
- The Supervisory Board may request one or more of its members to prepare a specific task of the Board.
- 2.1.5 A delegated member of the Supervisory Board is a member of the Supervisory Board with a specific task. The delegation cannot extend beyond the tasks of the Supervisory Board itself and shall not encompass the management of the university. The delegated tasks involve more intensive supervision and advice and more frequent consultation with the Executive Board. The delegation is temporary. The delegation may not discharge the Supervisory Board from its powers and duties. The delegated member will remain a member of the Supervisory Board.
- 2.1.6 A member of the Supervisory Board who is temporarily with charged with the management in the absence or incapacity of the members of the Executive Board shall resign from the Supervisory Board in order to perform the management duties.
- 2.1.7 At least once a year, the Supervisory Board shall discuss its own performance and that of its individual members and the conclusions to be drawn from it in the absence of the Executive Board. The desired profile and the composition and competence of the Supervisory Board shall also be discussed.
- At least once a year, the Supervisory Board shall also discuss the performance of the Executive Board as a body and the performance of the individual members of the Executive Board and the conclusions to be drawn from it in the absence of the Executive Board.
- 2.1.8 The Supervisory Board and its individual members have a personal responsibility to request from the Executive Board and the external accountant any information that the Supervisory Board requires to properly perform its duties as a supervisory body.

## **2.2 Independence**

- 2.2.1 The composition of the Supervisory Board shall be such that the members can operate independently and critically in relation to one another, the Executive Board and any other special interest.
- 2.2.2 A member of the Supervisory Board shall be regarded as independent if none of the following criteria of dependence apply to him. These criteria are that the member of the Supervisory Board or his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:
- a. has been an employee or a member of the Executive Board of the university (including allied legal entities) in the five years preceding the appointment;
  - b. receives a personal financial remuneration from the university or an affiliated company, other than remuneration that is received for the work performed as a member of the Supervisory Board and insofar as it is not part of the normal course of business;
  - c. is a member of the board of a company or a large legal entity in which a member of the Executive Board of the university is a member of the supervisory board or Supervisory Board;
  - d. works for the Ministry of Education, Culture and Science, the Accreditation Organisation of the Netherlands and Flanders or the Ministry of Agriculture, Nature Management and Fisheries;
  - e. owns at least ten percent of the shares in a company allied to the university.
- 2.2.3 The Supervisory Board shall include a statement in the annual report expressing its opinion that the provisions of Article 2.2.1 of these Rules are being complied with.

## **2.3 Expertise and composition**

- 2.3.1 Every member of the Supervisory Board must be competent to evaluate the main points of the overall policy. Every member of the Supervisory Board shall possess the specific expertise required to perform the duties assigned to him in the context of the board's profile. The composition of the Supervisory Board must be such that it can perform its duties properly. A member of the Supervisory Board shall only be reappointed after careful consideration. The aforementioned profile will also be taken into account at the time of a reappointment.
- 2.3.2 The Supervisory Board shall draw up a profile of its size and composition, having regard to the nature of the university, its activities and the expertise and background required by the members of the Supervisory Board. The profile shall be publicly available and shall in any case be posted on the university's website.
- 2.3.3 At least one member of the Supervisory Board shall be a 'financial expert', meaning that this person must possess relevant knowledge and experience of financial management in legal entities of a similar size.
- 2.3.4 The Supervisory Board shall conduct an annual assessment of the aspects in which members of the Board require additional instruction or training during the period of their appointment. The university will facilitate this.
- 2.3.5 The Supervisory Board shall draw up a retirement schedule designed to prevent a large number of members of the Board standing down at the same time. The retirement schedule shall be published on the university's website.

## **2.4 Role of the chairperson of the Supervisory Board**

- 2.4.1 The chairperson of the Supervisory Board shall:
- a. determine the agenda and chair the meetings of the Board;
  - b. ensure the proper functioning of the Board and any committees;
  - c. provide adequate information to the members of the Board;
  - d. ensure that there is sufficient time to make decisions;
  - e. provide an adequate introduction;
  - f. act as the principal contact person for the Executive Board on behalf of the Supervisory Board;
  - g. initiate the evaluation of the performance of the Supervisory Board and of the Executive Board;
  - h. ensure effective communication between the Supervisory Board and the Executive Board and the Central Participation Council.

The university is responsible for providing adequate support for the chairperson of the Supervisory Board (information, preparing agendas, evaluation, introduction of new members, etc.).

- 2.4.2 The chairperson of the Supervisory Board shall not be a former member of the university's Executive Board.

## **2.5 Duties and powers of the Supervisory Board in relation to audits**

- 2.5.1 Unless an audit committee has been established with the duties and powers set out in the Sector Code of Governance, the Supervisory Board shall have the following duties and powers.
- 2.5.2 The Supervisory Board shall in any case exercise supervision of the Executive Board with regard to:
- a. the effectiveness of the internal risk management and control systems, including monitoring compliance with relevant legislation and supervision of the effectiveness of codes of integrity;
  - b. the provision of financial information by the university (budgetary rules, choice of accounting policies, application and assessment of the effects of new rules, projections, work of external accountants, etc.);
  - c. compliance with recommendations and follow-up to observations made by external accountants.
- 2.5.3 The chairperson of the Supervisory Board shall act as the primary contact person for the external accountant if the latter discovers irregularities in the content of the financial reports.
- 2.5.4 The chairperson of the Supervisory Board shall decide whether, and if so when, the chairperson, the member of the Executive Board responsible for financial affairs, the external accountant and/or the internal controller will attend a meeting of the Supervisory Board.
- 2.5.5 The Supervisory Board shall meet with the external accountant as often as it considers necessary, but at least once a year, in the absence of members of the Executive Board.

## **2.6 Duties and powers of the Supervisory Board in relation to remuneration and selection**

- 2.6.1 Unless a remuneration and selection committee has been established with the duties and powers set out in the Sector Code of Governance, the Supervisory Board shall have the following duties and powers.
- 2.6.2 The Supervisory Board shall have at least the following duties:
- a. drafting selection criteria and a procedure for the appointment of member of the Supervisory Board and members of the Executive Board
  - b. drafting a profile of the Supervisory Board;
  - c. adopting the remuneration policy;
  - d. determining the remuneration of the individual members of the Executive Board;
  - e. reporting on the remuneration of the Executive Board.

## **2.7 Conflicts of interest**

- 2.7.1 Any form or appearance of a conflict of interest between the university and members of the Supervisory Board shall be avoided. Resolutions to enter into transactions involving conflicting interests of members of the Supervisory Board that are of material significance for the university and/or the relevant members of the Supervisory Board must be approved by the Supervisory Board. The Supervisory Board is responsible for deciding on how conflicts of interest involving members of the Executive Board, members of the Supervisory Board and the external accountant shall be dealt with
- 2.7.2 A member of the Supervisory Board shall promptly report a (potential) conflict of interest that is of significance for the university and/or for the relevant member of the Supervisory Board to the chairperson of the Supervisory Board and provide all relevant information about it, including any information relevant to the situation concerning his spouse, registered partner or other life companion, foster child and relative by blood or marriage up to the second degree. If the chairperson of the Supervisory Board has a (potential) conflict of interest that is of material significance for the university and/or himself, he shall promptly inform the vice-chairperson of the Supervisory Board and provide all relevant information about it, including any information relevant to the situation concerning his spouse, registered partner or other life companion, foster child and relative by blood or marriage up to the second degree. The relevant member of the Supervisory Board shall not take part in the deliberations of the Supervisory Board on the question of whether there is a conflict of interest.
- 2.7.3 A member of the Supervisory Board shall not take part in the discussion and the decision on any subject or transaction in relation to which that member has a conflict of interest.
- 2.7.4 Resolutions to enter into a transaction which involve conflicts of interest of members of the Supervisory Board that are of material significance for the university and/or the relevant members of the Supervisory Board require the prior approval of the Supervisory Board.

## **2.8 Remuneration of the Supervisory Board**

- 2.8.1 The members of the Supervisory Board shall receive remuneration unless the joint meeting of the Executive Board and the Supervisory Board decides otherwise. The maximum remuneration is a percentage of the maximum salary for directors as laid down in the Public and Semi-Public Sector Senior Officials (Standard Remuneration) Act, which took effect in January 2013. The remuneration of the chairperson and the members of the Supervisory Board shall not be dependent on the results of the university. The explanatory notes to the annual accounts shall include at least the information prescribed by law concerning the size and structure of the remuneration of the individual members of the Supervisory Board.
- The university shall not provide any personal loans to or guarantees for the members of the Supervisory Board.

## **2.9 Reporting**

Every year the Supervisory Board shall write a report of its activities during the financial year, which shall include the specific tasks and statements required by these Rules.

In the report or on the website, the Supervisory Board shall provide the following information about each of its members:

- a. gender;
- b. age;

- c. principal function;
- d. ancillary functions in so far as they are relevant for the performance of the individual's duties as a member of the Supervisory Board, and in any case including any other supervisory duties;
- e. the date of initial appointment;
- f. the current period for which he has been appointed;
- g. membership of key committees of the Supervisory Board as referred to in Articles 2.1.4, 2.5.1 and 2.6.1 of these Rules.

## **2.10 Participation**

2.10.1 The Supervisory Board ensures that proper arrangements for participation at the university are in place with a participation council or a student/staff representative body and one or more study programme committees.

### About the participation council

2.10.2 At least once a year a member of the Supervisory Board should be present as observer a meeting between the Executive Board and the central participation council to discuss the general state of affairs.

2.10.3 The Supervisory Board confers with the participation council at least twice a year.

2.10.4 The central participation council is asked beforehand for advice regarding the appointment profile, the appointment, the suspension or dismissal of the president and members of the Executive Board.

2.10.5 At least two members of the central participation council – one student member and one staff member – are part of the interview committee for the appointment of a new president or vice president of the Executive Board.

2.10.6 If the Executive Board, the Supervisory Board or one of their members is the matter on which the central participation council is conferring, this takes place without them being present.

### About the study programme committee

2.10.7 The Supervisory Board ensures that a study programme committee is set up for each programme or set of programmes with the remit of advising on the promotion and safeguarding of the quality of the programme.

Arrangements are stipulated in the Statutes of the Study programme committees at the University of the Arts The Hague.

2.10.8 Half of each study programme committee comprises enrolled students and half teachers who teach the relevant programme or principal subject. There are two study programme committees, one for each faculty.

2.10.9 In September of each academic year departmental heads in joint consultation propose student members for the study programme committee and if there is one or more vacancies an equal number of teacher members. In October these committee members are installed by the faculty director. The central participation council is consulted annually to ascertain whether this recruitment method is satisfactory.

2.10.10 For practical reasons matters that require the consent or advice of both the participation council and the study programme committee will be dealt with at a joint meeting.

## **Chapter 3            The audit of the financial reports and the position of the internal control function and the external accountant.**

### **3.1        Financial reporting**

- 3.1.1    The Executive Board is responsible for the quality and completeness of the published financial reports. The Supervisory Board monitors the Executive Board's compliance with this responsibility.
- 3.1.2    The Supervisory Board shall assess how the external accountant is consulted on the content and the publication of financial reports other than the annual accounts.
- 3.1.3    The Executive Board is responsible for drafting and enforcing internal procedures designed to ensure that all important financial information is known to it, so that the timely, complete and accurate internal and external financial reporting can be guaranteed. The Supervisory Board shall monitor the drafting and enforcement of these internal procedures.

### **3.2        Role, appointment, remuneration and evaluation of the external accountant.**

- 3.2.1    The external accountant shall be appointed by the Supervisory Board on the advice of the Executive Board. The awarding of assignments for and the remuneration for the performance of non-audit activities by the external accountant must be approved by the Supervisory Board, after consultation with the Executive Board.
- 3.2.2    The external accountant may be questioned by the Supervisory Board concerning its statement on the accuracy of the annual accounts.
- 3.2.3    The Executive Board and the audit committee shall report annually to the Supervisory Board concerning the developments in the relationship with the external accountant, with particular attention to its independence (including the desirability of rotation of the partners within a firm of external accountants responsible for performing the audit and for performing non-audit activities for the university). The Supervisory Board shall appoint an external accountant partly on the basis of these reports.
- 3.2.4    At least once every four years, the Executive Board and the audit committee shall conduct a thorough evaluation of the performance of the external accountant in the various entities and capacities in which it functions. The evaluation shall be discussed by the Supervisory Board, which will report its main findings in the university's annual report.

### **3.3        Internal control function**

- 3.3.1    The internal accountant, or controller, who can play an important role in assessing and testing internal risk management and control systems, falls under the responsibility of the Executive Board. If a university of applied sciences has no internal accountant or controller, this principle and the rules based upon it apply mutatis mutandis to the individual responsible for the university's financial management.

3.3.2 The external accountant and the audit committee shall be consulted in the drafting of the work plan for the internal accountant. They will also be informed of the findings of the internal accountant or controller.

#### **3.4 Relationship of and communication by the external accountant with the university's bodies**

3.4.1 The external accountant shall attend at least the meetings of the Supervisory Board at which decisions are to be made about the adoption of the periodic external reports. The external accountant shall simultaneously report the findings concerning the audit of the external reports to the Executive Board and the Supervisory Board.

3.4.2 The external accountant shall attend at least the meetings of the Supervisory Board at which the reports of the external accountant concerning the audit of the annual accounts are discussed and decisions are made on the approval or adoption of the annual accounts.  
The external accountant shall receive the financial information on which the adoption of the interim financial reports and other interim financial statements is based and shall have an opportunity to give a reaction to the information.

3.4.3 The report of the external accountant pursuant to Article 2:393, paragraph 4 of the Dutch Civil Code shall contain the information that the external accountant wishes to bring to the attention of the Executive Board and the Supervisory Board with regard to the audit of the annual accounts and the related audits. That report shall cover at least the following subjects:

- a. findings from the audit, such as the independence of the external accountant, issues to be discussed with the Executive Board and an overview of non-adjusted corrections;
- b. an analysis of the financial data, such as the development of the capital, liquidity and profitability and the effects of non-recurring items, estimates and the basis of the projections;
- c. the effectiveness of the control and risk management system and possible improvements to it.
- d. the reliability of the internal computerised data-processing systems.

#### **3.5 Marketing activities of universities of applied sciences**

3.5.1 The university may undertake activities that are not publicly funded. The Executive Board is responsible for ensuring that these activities fall within the scope of the university's mission and are not in conflict with the publicly financed activities.

3.5.2 The Executive Board shall take measures to ensure that only marketing activities that are appropriate to the mission are undertaken and report on how this is guaranteed in the annual report.

3.5.3 The Executive Board is responsible for the transparent allocation of the costs of marketing activities and shall report in the annual report on the principles for the allocation and the results.

**Decide** to approve these rules and to determine that these rules will take effect on the date of their signing by the chairperson of the Supervisory Board on behalf of the Supervisory Board.

The Hague, 12 June 2017

The Supervisory Board,  
For whom:

Mr H.J.A. Knijff  
(chairperson)