

Regulations of the Supervisory Board and Executive Board

Stichting Aidsfonds – Soa Aids Nederland

1. Objective of these Regulations

These Regulations govern the relationship between the Executive Board and Supervisory Board of Stichting Aidsfonds – Soa Aids Nederland (the “Foundation”), including the Audit Committee and the Remuneration and Nomination Committee of the Supervisory Board, to the extent such is not already governed by law or the Foundation’s Articles of Association.

These Regulations are based on the Foundation’s Articles of Association and were prepared in accordance with the 2005 Code of Good Governance for Charity Organisations (‘Wijffels Code’) and the provisions it contains regarding good governance, good supervision, and adequate accountability.

As a result of the establishment of a single-member Executive Board, these Regulations were adopted by the Supervisory Board on 20 June 2016 and entered into force with retroactive effect to 1 June 2016.

For the purposes of these documents, the following abbreviations are defined as follows:

- SB = Supervisory Board
- EB = Executive Board
- Foundation = Stichting Aids Fonds – STOP AIDS NOW! – Soa Aids Nederland
- Regulations = Regulations of the Supervisory Board and Executive Board of the Foundation

2. The Management Structure of the Foundation

- a. The SB bases uses the following points as a premise for structuring the Foundation’s management:
 - The Foundation uses distinctive ‘brands’.
 - The management structure must be as simple as possible and interrelationships must be transparent and functional.
 - The ‘checks and balances’ must be sufficiently guaranteed in terms of potential conflicts of interest.
 - Whenever possible, formal responsibilities must reflect the jobs/positions as is customary in practice so they can actually be fulfilled.
- b. This has led to a structure for the Foundation that follows the EB/SB model. Under its Articles of Association, the Foundation is managed and supervised in accordance with the 2005 Wijffels Code, as contained in the Accreditation Regulations of the Central Bureau on Fundraising [*CBF-reglement*] dated January 2016.
- c. The EB and SB adhere to three principles in the Accountability Statement [*Verantwoordingsverklaring*]:
 - Distinguishing supervisory, management, and executive functions from one another;
 - Optimising the effectiveness and efficiency of expenditures;
 - Optimising relationships with stakeholders.

3. Executive Board [as a supplement to Articles 4 and 5 of the Articles of Association]

- a. The SB has adopted a job description for the EB.
- b. The job description is independently assessed using the job valuation system that is part of the Employment Terms and Conditions [*Arbeidsvoorwaarden*] and must satisfy the Advisory Regulations on Executive Remuneration at Charitable Organisations [*Adviesregeling belonging directeuren van goede doelen*] established by Goede Doelen Nederland, the Dutch national association for the charities sector.

- c. If the EB is absent or unable to act, the management duties will not be undertaken by a delegated regulatory authority [*toezichthouder*] unless a crisis obviates all other options, and that authority will perform said duties for no more than seven days. If the EB is unable to act, the SB will determine – in accordance with the prevailing circumstances – how the management will be undertaken.

3.1. Appointment, suspension, and dismissal

- a. If a position becomes vacant on the EB, the SB will draft a brief profile based on the job description after having consulted the Remuneration and Nomination Committee and the Works Council [*Ondernemingsraad*]. The SB will amend the brief profile as necessary. The brief profile will be made public and available to anyone upon request.
- b. After the brief profile for the EB vacancy is adopted by the SB, the latter will appoint an interview committee in which the Remuneration and Nomination Committee and the Works Council will be represented.
- c. The chairperson of the interview committee will prepare a nomination.
- d. The EB will be dismissed if:
 - The SB repeatedly classifies its job performance as unsatisfactory;
 - The SB establishes that the interests of the EB are irreconcilable with those of the Foundation;
 - The SB establishes that the function(s) of the EB are irreconcilable with those of the SB;
 - Any other objectively justifiable reason;
- e. The issue of the need for resignation can be raised by any member of the SB.
- f. If the SB's position is that resignation is required because of one of the aforementioned reasons and the EB does not resign of its own accord, the SB will pass a resolution to effect its dismissal.
- g. The suspension process and any dismissal process will be coordinated by the SB.
- h. Prior to passing a resolution to suspend or dismiss the EB, the SB will afford the EB notification of the SB's intention and afford it the opportunity to be heard on the matter.
- i. The SB and the EB will agree a course of conduct before making any statements about the suspension or dismissal outside the organisation.

3.2. Meetings/Decision-making

- a. The EB will meet monthly or as frequently as necessary.
- b. The SB has conferred a power of attorney upon the EB – to the extent a given situation regards inheritances, bequests, gifts, and similar arrangements – to take decisions regarding entering into agreements to acquire or sell registered property without first obtaining the SB approval referred to in the Articles of Association (Article 4, paragraph 7, subparagraph f).
- c. The secretariat of the EB will ensure adequate reporting and filing of the EB's documents. These archives must be accessible at all times by the members of SB.

3.3. Accountability

- a. The EB will supply the SB in a timely fashion with the information the latter requires in order to function. Normally, this will be done in preparation for, or during, SB meetings. If a situation so requires, the EB will provide the SB with relevant information in the interim.
- b. The EB will account for its activities to parties outside the organisation by including a report on its work in the Foundation's annual report.
- c. The EB will periodically inform the SB about resolutions the former has passed.
- d. The EB will periodically inform the SB about #the status of its activities#.

4. Supervisory Board [as a supplement to Articles 4, 5, 6, and 7 of the Articles of Association]

- a. Communications between the SB and parties outside the organisation will generally be handled by the chairperson.
- b. The secretariat of the SB will be supplied by or at the behest of the EB, the latter of which will also ensure that the SB's documents are adequately archived. The SB archive must be accessible at all times by the members of the SB.

4.1. *Profile of the Supervisory Board*

- a. The brief profile will be made public and available to anyone upon request. An SB member's performance must be characterised by integrity and an independent attitude. This means that he or she must have no stake whatsoever in the Foundation when performing his or her duties. As needed, the SB will supplement the Articles of Association with Regulations stipulating what types of involvement, background, or positions are irreconcilable with membership of the SB.
- b. The profile of the SB must result in the SB being composed such that:
 - It has sufficient affinity with the Foundation's objective;
 - It is sufficiently diverse in terms of gender, ethnicity, age, and sexual orientation;
 - The members of the SB function independently of, and discerningly with regard to, the members of the EB;
 - The members of the SB function independently and are not bound by any instructions;
 - One of the members of the SB is charged with the finance portfolio.
 - The SB adequately serves as an adviser and sounding board for the EB.
- c. The profile of the SB must be such that the SB as a whole possesses sufficient expertise in the following fields:
 - Finances
 - Business and industry
 - Politics
 - International fight against AIDS
 - The trust of people infected with HIV
 - Research
 - Development cooperation
 - National fight against sexually transmitted diseases
 - Communication
- d. The SB can establish specific portfolios, on a temporary or non-temporary basis, based on which candidates will be required to possess certain skills or characteristics.
- e. In this respect, the SB will also consult the EB. The SB will amend the brief profile as necessary.
- f. In the case of a conflict of interests, the chairperson and the relevant member of the SB will submit a proposal for a temporary or permanent solution.

4.2. *Appointment, resignation, suspension, and dismissal*

- a. The Remuneration and Nomination Committee will, on behalf of the SB and with due observance of the provisions of the Articles of Association and these Regulations, handle the recruitment and selection of candidate members for the SB.
- b. **Should a vacancy arise, the SB will draft a brief profile on the advice of the Remuneration and Nomination Committee for the relevant seat in accordance with the principles outlined above.**
- c. Any member of the SB may, with due observance of the brief profile, nominate one or more candidates.
- d. The EB and the Works Council can also nominate one or more candidates to the SB, with due observance of the brief profile.
- e. In principle, the SB will select a candidate from the nominees, and the candidate will then be approached by the Remuneration and Nomination Committee in consultation with the party who nominated the relevant person.
- f. If the relevant person is prepared to join the SB, he will be invited for an interview with the Remuneration and Nomination Committee and the EB.
- g. The appointment resolution must be recorded.
- h. A member of SB will retire if:
 - The SB repeatedly classifies the relevant member's job performance as unsatisfactory;

- There is a permanent and irreconcilable difference of opinion between the relevant member and the other members of the SB;
 - The SB establishes that the interests of the relevant member are irreconcilable with those of the Foundation;
 - The SB establishes that one or more positions held by the relevant member are irreconcilable with membership of the SB;
 - Any other objectively justifiable reason.
- i. If the SB's position is that resignation is required because of one of the aforementioned reasons and the relevant member of the SB does not resign of his own accord, the SB will pass a resolution to effect his dismissal. This resolution must be recorded.
 - j. Prior to passing a resolution to suspend or dismiss a member of the SB, the SB will afford the relevant member adequate notification of the SB's intention and afford him the opportunity to be heard on the matter.
 - k. The SB, the relevant member of the SB, and the EB will agree a course of conduct before making any statements about the suspension or dismissal to parties outside the organisation.

4.3. Meetings/Decision-making

- a. The EB will ensure that minutes are taken of SB meetings. If such meeting will be held outside the presence of the EB, the chairperson will determine in advance how the minutes of said meeting will be kept.
- b. Generally, the SB will meet four times per year, at least one of which meetings will be held to discuss the annual report in the presence of the Foundation's auditor, and one of which will be held to discuss the annual plan and corresponding budget for the next year.
- c. If the SB has met outside the presence of one or more members of the EB, the chairperson of the SB will provide the EB with an outline of the meeting.
- d. EB resolutions that are subject to the SB's approval, either pursuant to the Articles of Association or otherwise, must be placed on the agenda in writing and be accompanied by substantiation.
- e. The SB will discuss the Foundation's performance at least once a year at a meeting.
- f. The SB will discuss its own performance and evaluate the EB at least once a year. The evaluation will also include the relationship between the SB and the EB.
- g. The chairperson of the SB will request the members of the SB and the EB to announce the issues to be evaluated before the evaluation.
- h. Each year, the SB will establish a procedure for evaluating the EB's performance.
- i. If necessary, the EB may, in consultation with the SB, resolve to take decisions through a written round.
- j. The SB will account for its activities to parties outside the organisation by including a report on its work in the Foundation's annual report.

4.4. Internal and external consultation

- a. Each year, the SB can consult the Works Council in order to follow the developments in the organisation and advise the EB.
- b. Each year, the SB can consult the auditor in order to follow the developments in the organisation and advise the EB.
- c. If so desired, the SB and EB can make arrangements about attending the consultations with the Works Council and/or the auditor.
- d. In principle, the members of the SB will not have any direct work-related contact with the Foundation's employees. A request to that effect must be addressed to the chairperson of the SB or to the EB.

5. Audit Committee [as a supplement to Article 8 of the Articles of Association]

5.1. Audit Committee

- a. The Articles of Association stipulate that, under the supervision of the SB, the permanent financial Audit Committee shall be charged with supervising the financial course of events within the Foundation in general and also with checking the operation of the internal accounting system and related internal controls, in particular within the payment organisation.
- b. The Audit Committee comprises at least two and no more than three members of the SB, including the member responsible for the finance portfolio. The member responsible for the finance portfolio is the chairperson of the Audit Committee. The EB ensures that the Audit Committee is adequately supported.

5.2. Responsibilities and Powers

- a. The Audit Committee is responsible for and authorised by the SB to gather all of the information it needs within the scope of its duties.
- b. The Audit Committee is responsible for submitting complete and timely reports of its discussions and findings to the SB.
- c. The Audit Committee does not have any independent or delegated powers, except in cases in which the SB expressly determines such.
- d. In the event of a difference of opinion between the Audit Committee and the SB, the SB will decide the issue.

5.3 Working method

- a. The Audit Committee meets at least twice a year to prepare for meetings of the SB at which the annual plan and budget, progress reports, and annual figures submitted by the EB will be discussed.
- b. Meetings can be convened as soon as the need for doing so arises. The external auditor may request a meeting to be convened if he feels such is necessary.
- c. In principle, meetings will be attended by at least the EB and the organisation's controller.
- d. The Audit Committee takes decisions by consensus. If no consensus can be reached, the matter will be decided by the SB.
- e. The Audit Committee will meet with the external auditor each year.
- f. The Audit Committee can examine any documents and hear any persons, to the extent it considers necessary to the performance of its duties. It can, on its own initiative, seek advice from experts outside the organisation, but only after obtaining approval from the EB.

5.4 Specific tasks

- a. The specific tasks regarding compliance with laws, requirements, and recommendations include assessing whether the EB is:
 - implementing the recommended follow-up to the external auditor's notes;
 - monitoring developments in governmental laws and regulations and taking timely measures to ensure compliance with such;
 - monitoring the developments in guidelines implemented by institutional donors, certification agencies, industry associations, etc., and taking timely measures to adapt systems and procedures to comply with those guidelines;
 - developing and implementing procedures to identify fraud, for a whistleblowers' scheme, and to afford staff the opportunity to express their concerns, confidentially, regarding possible irregularities in the area of financial reporting, financial management, and other matters;
 - taking proper measures to ensure ethical conduct and integrity;
 - developing and implementing an internal risk management and control framework and reporting on such in the financial reporting;

- b. The specific tasks regarding the EB's provision of information to the SB regarding financial planning, progress, and accountability for results include assessing whether:
 - the annual plan and budget are sufficiently consistent with the objectives proposed in the multi-year plan;
 - the interim reports offer the desired level of insight;
 - the funds available are actually and effectively being used to achieve the intended objectives;
 - the funds available are being used efficiently to achieve the highest possible social return on investment;
 - decisions regarding the transfer of funds to third parties are being taken in the proper manner;
 - spending is adequately proportioned between achieving objectives, fundraising, and the costs of the support staff;
 - any deviations between planning and achievement are acceptable and sufficiently explained.
- c. The Audit Committee maintains the relationship with the external auditor on the SB's behalf:
 - Each year, the Audit Committee evaluates the external auditor's performance in close cooperation with the EB.
 - A thorough evaluation of the external auditor's performance is conducted every four years. The SB is notified of the most significant conclusions of this evaluation to enable it to take decisions regarding the engagement and reappointment of the external auditor.
 - At SB level, the Audit Committee is the first point of contact for the external auditor should the latter identify serious irregularities in the financial accounting or in the performance of financial transactions.

5.5. Reporting requirements

- a. The reports of the Audit Committee meetings are sent to the SB for its information.
- b. At least two members of the Audit Committee must attend the SB meeting at which the annual accounts are discussed.
- c. Each year, the Audit Committee will include a report on its role and responsibilities in the annual report.

6. Remuneration and Nomination Committee

6.1 Remuneration and Nomination Committee

- a. The SB may decide to establish or dissolve a Remuneration and Nomination Committee;
- b. The Audit Committee must consist of at least two members, in any case including the chairperson of the SB. The SB will determine the number of members;
- c. In the absence of a Audit Committee, its duties will be handled by the chair of het SB, together with a member of the SB;
- d. In the annual report, the SB will report the composition of the Remuneration and Nomination Committee and the most significant issues regarding which the latter has issued advice.

6.2 Duties

The Remuneration and Normination Committee's duties will include at least the following:

- a. presenting a proposal to the SB regarding the remuneration policy to be carried out;
- b. presenting a proposal regarding any remuneration for the EB, to be determined by the SB;
- c. evaluating and reviewing the EB annually in a performance review based on a self-evaluation of the course of affairs and the results of the preceding period, as well as the outcome of a 360° evaluation based on a concise questionnaire. The chair of the SB will announce the outcome of the review at the next SB meeting.
- d. preparing a remuneration report;
- e. handling the recruitment and selection of candidate members for the SB and the ED with due observance of the provisions of these Regulations;

- f. when recruiting and selecting candidate members on behalf of the SB, the SB may appoint one or more SB members to the Remuneration and Nomination Committee on a temporary basis and solely for that purpose;
- g. presenting a proposal to the SB regarding a brief profile of the members of the SB and the EB;
- h. recruiting, selecting, and nominating members for the SB;
- i. presenting a proposal to the SB regarding selection criteria and the nomination process for members of the SB and the EB;
- j. advising the SB if a vacancy arises on the EB;
- k. participating, on behalf of the SB, on the interview committee that will fill a vacancy on the EB.

6.3 Remuneration policy

- a. The remuneration policy proposal must address at least the following:
 - b. the remuneration structure;
 - c. the amount of fixed remuneration;
 - d. the variable remuneration components;
 - e. any redundancy packages; and
 - f. other remuneration.

6.4 Remuneration Report

- a. The remuneration report will be prepared by the remuneration committee and adopted by the SB. This report will include at least the following:
 - a report of the manner in which the remuneration policy has been implemented in practice during the most recent financial year;
 - an overview of the expense allowances granted to the Executive and Supervisory Directors in the reporting year;
 - an overview, with explanatory notes, of any special allowances paid or promised to the Executive Director and/or the Supervisory Directors during the most recent financial year;
 - an overview of any remuneration policy that the SB will adopt in the next financial year or the one thereafter.
- b. The aforementioned overview regarding the remuneration policy (or expected remuneration policy) must in any case contain provisions regarding the ratios between fixed and variable remuneration components, the policy for the duration of the contracts, the applicable notices of termination and redundancy packages, and any special terms and conditions or schemes.
- c. The annual report must include this remuneration report or a summary thereof.

6.5 Remuneration

- a. The remuneration of the Executive Director is linked to the scope and substance of his/her workload, responsibilities, and powers. The scope and substance of the position will be determined in accordance with the methods in the sector-wide executive remuneration policy established by Goede Doelen Nederland.
- b. In principle, the remuneration will not depend on the institution's performance. The SB and the EB may, within the Goede Doelen Nederland code applicable to the charities sector, make agreements regarding a form of performance-linked remuneration. This must in any case be premised on performance targets that are formulated in the interests of the institution and which do not affect the institution's social responsibility.
- c. The SB will ensure that the applicable statutory rules and codes of conduct are complied with.

7. Amendment to the Regulations [as a supplement to Article 4.5 of the Articles of Association]

- a. As part of its annual evaluation of its performance, the SB will determine whether it is still satisfying the requirements of these Regulations. The chairperson will seek the formal opinion of the EB and Works Council on this matter in advance.

- b. These Regulations can be amended by a resolution passed by the SB. The EB's formal opinion on the proposed amendment must be obtained in advance.
- c. As soon as any change is made to the governance or management structure, these Regulations must always be re-adopted – regardless of whether they have been amended – by a resolution passed by the SB, in which respect the formal opinion of the EB must be obtained in advance.

Adopted by the Supervisory Board on 20 June 2016 with retroactive effect to 1 June 2016.

Amendment history

replaces the Regulations dated 1 January 2013,

preceded by:

the Regulations dated 22 September 2008,

the Regulations dated May 2004, amended with effect from 28 June 2007, and

the Regulations of the Audit Committee dated 19 June 2006.