

Governance Regulations for Stichting Cordaid and Stichting ICCO Regulations for Management & the Supervisory Board

Preamble

Governance is ensuring reciprocal consistency in the manner of governing, managing and overseeing an organisation, and aims at the efficient and effective achievement of policy objectives, as well as at an open communication regarding these with accountability to the stakeholders.

The organisation of Cordaid and ICCO follows the 'supervisory board' control model in which the tasks 'Policy and Implementation', and 'Supervision' are separated. The board is responsible for the administrative process (policy and implementation) and the supervisory function lies with a separate body, the Supervisory board.

A personal union has been created as per 1 January 2021 between the boards of Stichting Cordaid and Stichting ICCO and between the supervisory boards of Stichting Cordaid and Stichting ICCO. In this Governance Regulations the term 'Board of Directors' refers to the Board of Directors of Stichting Cordaid and Stichting ICCO and (as long as this entity exists) together, unless explicitly stipulated otherwise. In this Governance Regulations the term 'Supervisory Board' refers to the Supervisory Boards of Stichting Cordaid and Stichting ICCO together, unless explicitly stipulated otherwise. In this Governance Regulations any reference to Articles of Association is a reference to Stichting Cordaid's Articles of Association, unless explicitly stipulated otherwise.

The management is formed by the Board of Directors, consisting of at least two statutory Directors, currently consisting of a Chief Executive Officer (CEO), a Chief Operational Officer (COO) and a Chief Financial Officer (CFO), who together form the Board of Directors.

In accordance with the Dutch Civil Code, the governance structure is laid down in the Articles of Association of Stichting Cordaid and Stichting ICCO. In that context, the procedures regarding some matters are laid down in separate regulations. Beside these Articles of Association and this Governance Regulations, the following governance documents apply:

- A. Stichting Cordaid and Stichting ICCO Audit Committee Regulations
- B. Stichting Cordaid and Stichting ICCO Remuneration Committee Regulations

This Governance Regulations hereafter also referred to as: "Regulations".

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A. MISSION, IDENTITY AND GOVERNANCE

Mission

Inspired by Christian values we believe in the power of people to trigger inclusive social change in their own surroundings. We seek to strengthen the capacities and resilience of the people and communities we work with, so that they are better prepared to face their future challenges. Our responsibility and accountability lie with those who are poor, marginalized and excluded from safety, services and economic opportunity and sustainable livelihoods. We actively seek increased collaboration and synergies with likeminded organisations and pursue further joining of forces.

Identity

We are an internationally operating value-based emergency relief and development organization. We have emerged from the Roman Catholic and Dutch protestant traditions with their longstanding experiences in fighting poverty and social injustices both in the Netherlands as well as worldwide. The values of justice, compassion and care for the earth and the Christian social teachings on human dignity inspire and guide us in our work.

We realise the enormous binding potential of faith and increasingly recognise that the universal value of compassion is equally embraced by other religions and beliefs as well. We participate in like-minded, often faith-based networks and cooperate in our activities with all peoples and organizations with whom we share common objectives and values. Through our networks we work from grassroot level to national and even global level.

With reference to the history as set out above, Cordaid and ICCO wish to secure the engagement of both the Roman Catholic and the Protestant support bases and institutions. Cordaid and ICCO will do this by means of:

- a. The appointment of two members of the Supervisory Board, and through the personal union as described below also of the Supervisory Board of Stichting ICCO:
 - i. one member on the recommendation of the Bishops' Conference of the Roman Catholic Church Province in the Netherlands and
 - ii. one member on the recommendation of the executive committee ('*het moderamen*') of the general synod of the Protestant Church in the Netherlands, which recommendation will be made on the recommendation of the board of the service organisation ('*de Dienstenorganisatie*') of the Protestant Church in the Netherlands.

For the Bishops' Conference, this right of recommendation has already been laid down in the Articles of Association. The right of recommendation of the executive committee ('*het moderamen*') of the general synod of the Protestant Church in the Netherlands is herewith laid down in this Governance Regulations;

- b. Membership of the international church development organisation and emergency aid networks Caritas and ACT Alliance;
- c. The stimulation and development of the Christian social teachings in cooperation with partners by means of (amongst other) organizing a yearly conference ; and
- d. a description of the legal track record of the legal predecessors of ICCO since its formation, first as a church committee and later as Stichting ICCO, up to 1 January 2021 (**Appendix 2**).

The joint organisation of Cordaid and ICCO has a single profile, single message and single logo and wishes to position this convincingly to all relevant stakeholders. The objectives of the integration of Cordaid and ICCO include that after the Transition period, all offices and programmes world-wide will be named 'Cordaid'. The story

of ICCO forms part of this and the names 'ICCO' and 'ICCO Cooperation' will be retained as a brand name and sub-brand under the Cordaid name for the Transition period (or for a longer period if agreed). These names will be used only if this is required for good communication with stakeholders in order to supervise the transition to 'Cordaid' with care.

Governance

A personal union has been created as per 1 January 2021 between the Boards of Directors of Stichting Cordaid and Stichting ICCO and between the Supervisory Boards of Stichting Cordaid and Stichting ICCO. Both the Board of Directors and the Supervisory Board will consist of the same persons in the same roles.

The arrangements concerning Mission, Identity and Governance as laid down in these Regulations, par. A, can only be amended by a decision of the Board of Directors, with approval on beforehand of the Supervisory Board. A decision of the Supervisory Board to approve (a proposal to) such a decision to amend these arrangements needs a majority of at least two/third (2/3e) of the votes of the Supervisory Board in a meeting in which at least two/third (2/3e) of all members of the Supervisory Board are present. The clauses 16.4 and 13.7 of the Articles of Association of Stichting Cordaid are mutatis mutandis applicable to such decision to approve.

B. GENERAL

Article 1 - Adoption and Scope of the Regulations

1. These Governance Regulations were adopted in the Supervisory Board meeting held on 6 March 2023 effective as per 1 January 2023.
2. These Governance Regulations are a combination of the Management Regulations (Regulations for the Board of Directors) and the Regulations for the Supervisory Board, and they expand on the provisions related to the Board of Directors and the Supervisory Board that are set out in the Articles of Association¹.
3. Without prejudice to what is determined in these Regulations, each member of the Board of Directors/ Supervisory Board will use the current SBF code for Good Management dated 15th July 2015 as a reference point for how they should work.
4. When drawing up these Governance Regulations, efforts were made to comply with current legislation and regulations² (including the Dutch Civil Code and the planned amendments to the Bill on Management and Supervision for Legal Entities, the CBF Regulations – recognition of charity organisations from 10 November 2020, the Regulations for the Remuneration of Directors of Charities in Boards and Supervisory Boards, from 1st January 2016, the SBF Code for Good Governance dated 15th July, 2015), the Wet op de Ondernemingsraad (WOR) and with the powers, tasks and obligations contained therein.
5. In the event of contrariety between any provision of these Governance Regulations and one or more provisions of the articles of association as they are in force from time to time, the provisions of the Governance Regulations will prevail insofar as permitted by the law.

Article 2 - Change of the Regulations

1. Once every two years, the Governance Regulations shall be included as an item on the agendas of the Board of Directors and then of the Supervisory Board, in order to verify whether they need any adjustments.

¹ Article 7, paragraph 3 of Stichting Cordaid's Articles of Association provides that the Board of Directors will establish regulations which will define the decision making of the Board of Directors and the external representation, amongst other things. In addition to this, Article 12, paragraph 3 provides that the Board of Directors and the Supervisory Board will make regulations concerning the division of powers regarding the establishment of the general policy and the financial directives. The Articles of Association of Stichting ICCO contain similar provisions.

² Since 1st January 2016 there have been Accreditation Regulations for Charities with new standards and modernised supervision. These Accreditation Regulations have replaced existing certification schemes, such as the CBF Seal of Approval and Certificate, the RfB accreditation and the Accreditation for Charities. 2016 was a transitional year.

The following codes, rules and directives apply to members of 'Goede Doelen Nederland' (Dutch Charities):

- SBF Code for Good Governance (replaces the Wijffels Code).
- Directive 650 (part of the directives for annual reporting from the Dutch Accounting Standards Board) and recommendation to apply Directive 650 'cost allocation for management and administration'.
- CBF Seal of Approval/accreditation.
- Regulations for the Remuneration of Directors of Charities.
- Directive for the Financial Management of Charities.

By requesting accreditation as a CBF-accredited charity, at the same time Cordaid and ICCO accept the CBF Regulations, which include the requirement to apply the standard for establishing the governance structure (Category D, section 5.1).

2. Except for the arrangements concerning Mission, Identity and Governance as laid down in these Regulations, par. A, which have its own procedure to change, any changes made will be adopted by the Supervisory Board, after having duly heard the Board of Directors.

Article 3 - Compliance and enforcement of the regulations

1. The Board of Directors and the Supervisory Board are responsible for corporate governance of the foundations and compliance with the Governance Regulations.
2. If the Board of Directors acts in a way that does not conform with these Governance Regulations, it must inform the Supervisory Board accordingly.

C. SUPERVISORY BOARD

Article 4 - Structure and working procedures of the Supervisory Board

1. The Supervisory Board's supervision takes place ex ante and ex post. Ex ante, the plans (mission, strategy, policy plan and budget) are presented to the Supervisory Board for approval, and ex post: the Supervisory Board critically appraises management and the organisation and approves the Annual Report. Also, a further function of the Supervisory Board is to stimulate and advise management.
2. In accordance with Article 11, paragraph 1 of the Articles of Association, when performing its tasks, the Supervisory Board focuses on the interests of Cordaid, ICCO and their affiliated organisations, thereby weighing the relevant interests of Cordaid's and ICCO's stakeholders.
3. The Supervisory Board ensures that the members are able to operate in a critical and independent manner with each other, and when dealing with the Board of Directors and any other particular interests (in accordance with SBF standard 2.6a and CBF standard 5.11.1.b).

Article 5 - Composition, Term of Office, Resignation and Chair of the Supervisory Board

(See also the Articles of Association, Art. 10, and CBF 5.1)

1. When filling vacancies, the Supervisory Board ensures diversity in its composition and the presence of different types of expertise so as to be able to adequately perform oversight of an organisation like Cordaid and ICCO. It should particularly focus on expertise in the fields of development cooperation, southern leadership and expertise, management, finances, law, human resources policies, government policies and church policies that concern Cordaid's and ICCO's field of work. Consideration should be given to the episcopal committee's right of recommendation for the mission and development cooperation (in consultation with the Conference of Bishops), and to the right of recommendation of the executive committee ('het moderamen') of the general synod of the Protestant Church in the Netherlands and the Works Council.³

³ Different fields of expertise, networks and links have to be represented in the SB, either in combination with one another or not:

1. Expertise in the field of development charities, preferably through programmes in the South.
2. Expertise in the field of general development cooperation, preferably from the government or a multilateral institution.

2. A member of the Supervisory Board will resign prematurely in case of unsatisfactory performance, the structural incompatibility of interests, or whenever advised to do so at the discretion of the Supervisory Board.
3. In accordance with Article 10, paragraph 6 of the Articles of Association, the Supervisory Board chooses a chairperson from among its members.
4. As soon as possible after a vacancy opens, and following consultation with the members of the Board and the Executive Director (who has an advisory role), the Chair of the Supervisory Board will submit a nomination to the Supervisory Board for every vacancy that is open.
5. Supplementary to Article 10, paragraph 9 of the Articles of Association, anyone who in the four years prior to the appointment has been an employee or member of the Board of Directors of Cordaid or ICCO, or who is an employee of an organisation financed by Cordaid or ICCO to a greater or lesser extent, cannot be appointed as a member of the Supervisory Board.

Article 6 - Role of the Supervisory Board Chair

(See also the Articles of Association Articles 13.2; 13.4, 13.6; 13.8; 13.9, 13.10 and SBF Article 2.6c)

1. The Chair of the Supervisory Board:
 - a. is promptly provided with information by the Chair of the Board of Directors about any important developments in the foundations operation and its external positioning;
 - b. sets the agenda of the Supervisory Board meetings, in consultation with the Chair of the Board of Directors. Any member of the Board of Directors or of the Supervisory Board can add items to the agenda of Supervisory Board meetings;
 - c. ensures adequate performance of the Supervisory Board and any committees or commissions it may set up;
 - d. encourages the adequate provision of information to Supervisory Board members;
 - e. is responsible for the process of the annual performance reviews of the members of the Board of Directors and for the Supervisory Board's annual self-evaluation;
 - f. is the first line of contact for the Board of Directors on behalf of the Supervisory Board;
 - g. is responsible for overseeing integrity management in Cordaid.
2. In the event that the Chair is absent or unable to perform, his/her tasks will be taken over by the Supervisory Board's deputy chair or – if he/she is also absent – by the member of the Supervisory Board designated for that matter by the Board.

Article 7 - Tasks, Working Procedures and Powers of the Supervisory Board

(See also the Articles of Association 11 and 12; SBF 2.2, 2.7 and 3.3, and CBF 5.1 and 5.3)

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3. Links with the churches and expertise regarding the churches thinking in the field of social teaching, mission and development.
 4. Networking in the field of fundraising.
 5. Expertise in the field of general management, financial management, management and control, and human resources policies

In carrying out its statutory duties, the Supervisory Board complies with the external codes that apply to Cordaid and ICCO, such as the SBF code and the CBF rules, as far as possible and the rights of the Works Council following the WOR .

7.1 Suspending members of the Board of Directors

In addition to Article 5 paragraph 2 of the Articles of Association (appointing and dismissing) the Supervisory Board suspends members of the Board of Directors when the circumstances so require (Articles of Association 5.2 and SBF Article 2.3a).

7.2 Granting prior authorisation to management decisions

In addition to Article 12, paragraph 1 of the Articles of Association the Board of Directors needs written prior authorisation from the Supervisory Board for:

- a) setting up legal entities, both In the Netherlands as in the countries where Cordaid or ICCO are active;
- b) a decision on a legal merger or division as referred to in Title 7 Book 2 of the Dutch Civil Code; the provisions of Article 16 (5) or the Articles of Association shall apply mutatis mutandis.

7.3 Adopting & monitoring

Pursuant to SBF standard 2.2, as well as what is stipulated in the Articles of Association (art. 11 and 12), the Supervisory Board's supervision of the Board of Directors is also concerned with, in any event- taking into account the rights of the Works Council following the WOR:

- a. the adoption and implementation of the (long-term) strategy policy plan (pursuant to Article 11, paragraph 5 of the Articles of Association) and the (long-term) budget and the pre-conditions which underly the strategy;
- b. the allocation of resources for realising the objectives in accordance with set criteria;
- c. the adoption and implementation of the fundraising policy;
- d. the adoption of other major decisions and monitoring of the application, such as:
 - i. the objectives of the foundations and their achievement;
 - ii. significant changes of course within the foundations or to the identity of the foundations;
 - iii. the Legal Status Regulations for employees (Rechtspositiereglement Cordaid voor personeel) and salary and benefits for employees ;
 - iv. Cordaid's and ICCO's operational and financial objectives;
 - v. the annual plans that are derived from the long-term plan;
 - vi. the policy regarding essential components of the operations, being the integrity policies and framework and the risk management policy and framework;
 - vii. the establishment of joint ventures, which would lead to an additional legal status or entity;
 - viii. the supervision of related legal entities;
 - ix. the organisation's positioning.

7.4 Monitoring the actions of the directors

Pursuant to SBF standard 2.2, the Supervisory Board's supervision of the Board of Directors includes monitoring the actions of the directors, which encompasses the following elements:

- a. the implementation of the CSR policy;

- b. the application and implementation of the quality management policy;
- c. the financial operations of the organisation and the financial reporting process;
- d. compliance with laws and regulations, grant and subsidy conditions, and codes of conduct that apply to Cordaid and ICCO.

7.5 Appointing/dismissing the external auditor

- a. In accordance with Article 10, paragraph 7 of the Articles of Association, and with SBF standard 2.7c, the Supervisory Board endorses the proposal made by the Board of Directors to appoint and/or dismiss the external auditor.
- b. In accordance with Article 15, paragraph 4 of the Articles of Association, and with SBF standard 2.7d, the external auditor reports his findings regarding the examination of the annual accounts both to the Board of Directors and the Supervisory Board.
- c. The Supervisory Board can question the external auditor with respect to his statement on the fairness of the annual accounts and to the Management Letter. The external auditor will attend the meetings during which this matter is treated.

7.6 Requesting (additional) information

- a. Of its own accord and on request, the Board of Directors gives the Supervisory Board the information that the Supervisory Board needs in order to be able to assess how the foundations are performing. In addition, stemming from SBF standard 2.2, the Supervisory Board has the right and the obligation to request (additional) information. Supplementary to Article 11, paragraph 2 and Article 15, paragraph 4 of the Articles of Association, the Supervisory Board and its individual members are authorised to request any information from the Board of Directors and the external auditor as the Supervisory Board may need to adequately perform its tasks as a supervisory body.
- b. Supplementary to Article 11 paragraphs 2 and 3 of the Articles of Association, if it so deems necessary, the Supervisory Board can collect information from the foundations officers and external advisors. The Supervisory Board can require certain officers and external advisors to attend its meetings.
- c. In accordance with SBF standard 2.2 and Article 11, paragraph 3 of the Articles of Association, the Supervisory Board has access to all of the organisation's books and records.

Article 8 - Internal quality and accountability of the Supervisory Board

1. The Supervisory Board is responsible for the quality of its own performance.
2. At least once every year, the Supervisory Board discusses its own performance and that of its individual members without the presence of the Board of Directors, reaching conclusions in this regard (SBF standard 2.5.c and CBF 5.1.1.e annual evaluation).
3. Furthermore, at least once every year the Supervisory Board discusses the performance of the Board of Directors as a whole as well as of the individual members of the Board of Directors, reaching conclusions in this regard, which include the image that other relevant bodies have about how management is performing. The Supervisory Board records the outcomes and agreements resulting from this evaluation (in accordance with SBF standard 2.5.c), and the results of this discussion will be included in the performance review held with the Chair and with each of the individual members of the Board of Directors.

4. In accordance with SBF standard 3.3b, in Cordaid's Annual Report the Supervisory Board informs on its activities during the fiscal year, including how many meetings were held and the most important subjects discussed, with due references to the data required according to the Central Bureau on Fundraising.

Article 9. Supervisory Board Meetings and Decision Making

1. The minutes will concisely, yet adequately, record the subjects, points of view, considerations and decisions that were covered in the meeting, in such a way that the members of the Supervisory Board who could not be present at the meeting will have a clear and full image of the relevant things that were discussed during the meeting.
2. Decision making during a meeting will be done in accordance with Article 13, paragraph 5 of the Articles of Association.
3. Decision making outside a meeting can be done in accordance with Article 13, paragraph 10 of the Articles of Association.

Article 10 - Composition, Role and Responsibilities of the Audit Committee

In accordance with Article 11, paragraph 3 of the Articles of Association, the Supervisory Board has formed an Audit Committee from amongst its own members to support them in their supervision of the organisation. Reference is made to Cordaid's and ICCO's Audit Committee Regulations for its composition and responsibilities.

Article 11 - Composition, Role and Responsibilities of the Remuneration Committee

From among its members, the Supervisory Board has formed a Remuneration Committee to support the board in its supervision of the organisation's daily routine. Reference is made to Cordaid's and ICCO's Remuneration Committee Regulations for its composition and responsibilities.

Article 12 - The Supervisory Board's Reimbursement of Expenses

In accordance with Article 10, paragraph 8 and with CBF standard 5.3.1, the members of the Supervisory Board do not receive any remuneration. In accordance with SBF standard 2.4a, the members can receive a reasonable expense reimbursement determined by the Supervisory Board following a proposal by the Board of Directors. The notes to the annual accounts must contain the legally required details on the amount and structure of the expense reimbursement of individual members, in accordance with SBF standard 3.3a.

Article 13 - Relationship to the Catholic Church and to the Protestant Church

Reference is made to the following clauses in the Articles of Association for the relationship with the Roman Catholic Church Province in the Netherlands:

- 10, paragraph 4: the Conference of Bishop' (CB) referent's right to recommend a member of the Supervisory Board;
- 16, paragraph 2: prior approval from the CB in the case of a change of art. 2, sub 1, art. 10 sub 4 and/or art. 16 sub 4 in the Articles of Association;
- 17, paragraph 2: prior approval from the CB in the case of dissolution;
- 17, paragraph 3: the allocation of the surplus balance established in the Articles of Association;

- 19: the “General provisions of the Catholic Church of the Netherlands” apply to the Articles of Association in the way as described in the Articles of Association.

Every year, or more often if deemed necessary, a delegation of the Supervisory Board and the Board of Directors will hold a meeting with a delegation of the Roman Catholic Conference of Bishops of the Roman Catholic Church Province in the Netherlands.

Reference is made to the following arrangement for the relationship with the Protestant Church in the Netherlands:

- the right of the executive committee (‘het moderamen’) of the general synod of the Protestant Church in the Netherlands to recommend a member of the Supervisory Board

Every year, or more often if deemed necessary, a delegation of the Supervisory Board and the Board of Directors will hold a meeting with a delegation of the Protestant Church in the Netherlands.

Article 14 - Prevention and Guarding against Competing Interests and Conflicts of Interests

(See CBF 5.1.2 and SBF 2.6b up to and including 2.6f)

Further rules for this are set out in Cordaid’s Conflict of Interests Policy.

1. In accordance with SBF standard 2.6b, any form of, or apparent conflict of interests of the members of the Board of Directors and/ or the members of the Supervisory Board that could influence their task should be avoided. The Supervisory Board guards against this.
2. The members of the Board of Directors or the Supervisory Board declare any of their additional functions to the Supervisory Board. The Supervisory Board decides whether to accept or not to accept these additional functions.
3. Decisions to enter into transactions whereby conflicts of interests of the members of the Board of Directors or the members of the Supervisory Board could play a part should be declared immediately to the Chair of the Supervisory Board and require the approval of the Supervisory Board.
4. A member of the Supervisory Board or of the Board of Directors may not take part in the discussion and decision making on a topic or transaction that implies a conflict of interests for this member.

D. BOARD OF DIRECTORS

Article 15 - Composition, Appointment, Suspension and Dismissal of the Board of Directors

(See the Articles of Association 5.1, 5.2 and 6, and SBF 2.1 and 2.3)

1. In accordance with Article 5, paragraph 1 of the Articles of Association, the Board of Directors comprises a chairperson who is also a member of the Board of Directors and one or more other member(s), who together form the Board of Directors. The Board of Directors is and operates as a collegial board with an ultimately responsible Chair and therefore amongst others the Chair has a broader representative authority as incorporated in the Authorization Scheme and the Chair is entitled to postpone and/or suspend any (intended) decision of the Board of Directors as incorporated in Article 18.3 of these Governance Regulations. Pursuant to Article 5, paragraph 1 and 2 of the Articles of Association, the members of the Board of Directors are appointed and dismissed by the Supervisory Board. The Board of Directors is put

together in such a way that it is able to properly fulfil its tasks. In order to fulfil CBF standard 5.2.1, the Supervisory Board draws up a profile/ job description for the members of the Board of Directors.

2. A member of the Board of Directors will resign pursuant to the provisions of Article 6 of the Articles of Association, if he or she no longer fulfils the quality requirements set out in Article 14 of the Articles of Association.

Article 16 - The Tasks and the Division of Tasks of the Board of Directors

(See Articles of Association - 7 and SBF 2.3)

When performing its tasks, the Board of Directors focuses on the interests of the foundations and their affiliated organisations. When taking decisions, it duly weighs the interests of the different Cordaid and ICCO stakeholders.

16.1 Management

- a. The Board of Directors is responsible for managing the foundations and their affiliated organisations, hereafter referred to as Cordaid and ICCO. It is ultimately responsible for the overall state of affairs within Cordaid and ICCO, including their related entities, particularly the achievement of the objectives, the strategy, policies in different fields ⁴ and the resulting development of results. See further Articles 7.1 and 7.2 of the Articles of Association.
- b. The Board of Directors provides a properly functioning management information system, which must ensure the timely availability of the essential information needed for correctly managing the organisation.
- c. The Board of Directors ensures clear and ethical working processes within the organisation so as to secure the greatest possible degree of effectiveness and efficiency, as well as a good command of English and/or Dutch for internal and external communications.
- d. The Board of Directors is ultimately responsible for the policies and the performance of the duties of the different units. To achieve this, every year the Board of Directors establishes the annual plan and budget of the units.
- e. The Board of Directors assesses the performance of the units' managers within the framework of the established performance and appraisal system.

16.2 Adequate external representation

The Board of Directors ensures an adequate external representation of Cordaid and ICCO and propagates their vision and points of view. It also defends the interests of the organisations and its partners.

16.3 External Reporting

- a. Every year, the Board of Directors ensures the timely publication of the Annual Report and the Annual Accounts after these have been approved by the Supervisory Board.
- b. The Board of Directors ensures that the Annual Report complies with the external requirements of laws and regulations, as well as with the requirements of the grant and subsidy donors.
- c. The Board of Directors ensures that the information provided to current or potential donors is an accurate and complete representation of the facts, that the financial resources received from donors

⁴ Among other things, this refers to the organisation, fundraising, finance, personnel, participation, relationships with partners, important external relationships, automation, work processes, and management information, viewed from the perspective of effectiveness (relative to the objective) and efficiency.

are spent in accordance with the agreements reached with these donors, that the donors have access to that part of the financial statements that is related to their contribution, and that the data concerning the financial resources made available by the donors are dealt with as agreed upon.

- d. The Board of Directors is responsible for the quality, correctness and completeness of the financial reports that will be made public, and for clear and correct reporting on the non-financial aspects of Cordaid's and ICCO's work.

16.4 Compliance with the Law and Regulations

The Board of Directors is responsible for compliance with all relevant laws and regulations, grant and subsidy conditions, contractual obligations and applicable codes of conduct.

16.5 Participation

The Board of Directors ensures adequate internal consultations within the organisation, both between managers and employees and among the different units. Moreover, the Board of Directors ensures transparent internal reporting in matters that affect Cordaid's and ICCO's ups and downs as a whole.

16.6 Protecting the Position of Employees

The Board of Directors ensures that employees are able to report alleged irregularities of a general, operational, interpersonal and financial nature in Cordaid and/or ICCO without jeopardising their legal situation. To this end, Integrity Standard Operating Procedures including assurance of protection from retaliation (e.g. Whistleblowerpolicy) have been adopted. Alleged irregularities related to the performance or behaviour of members of the Board of Directors can be reported to the Chair of the Supervisory Board.

16.7 Follow-up to the Auditor's Advice

- a. The Board of Directors ensures an adequate and transparent communication with the external auditor.
- b. Within this framework, the Board of Directors ensures that the advice of the auditor is followed accurately and within the timespan agreed upon.
- c. If the Board of Directors believes that, regarding some aspects of financial operations or reporting, it needs to deviate from the external auditor's recommendations, this must be discussed with the Audit Committee of the Supervisory Board.

16.8 Provision of Information to the Supervisory Board

- a. The Board of Directors provides the Supervisory Board timely with all information needed for the latter to perform its tasks. In addition, particular attention must be paid to matters of great importance for Cordaid and/or ICCO, including its relationship with the government, the Conference of Bishops, the Protestant Church in the Netherlands, the Works Council, important partners, etc., as well as to matters that could, in one way or another, bring Cordaid and/or ICCO into disrepute, either externally or internally. In addition, the Board of Directors also reports any work conflicts or disputes between the Board of Directors and the Leadership Team or its members.
- b. Each member of the Board of Directors will handle all information and documentation that he/she receives as part of his/her function and that can reasonably be considered confidential, as strictly confidential and will not disclose it to third parties outside the Supervisory Board, even when the member of the Board of Directors is no longer employed by the foundation.

- c. The Board of Directors submits a tri-annual (or more often if desired) report to the Supervisory Board, which as a minimum covers the progress of programmes, the internal organisational development and the financial state of affairs, as well as:
 - i. developments concerning the positioning and the strategy of the foundations;
 - ii. the development of affairs which the Supervisory Board is required to establish or approve;
 - iii. problems and conflicts of any significance within the organisation;
 - iv. major integrity concerns on a need-to-know basis with due attention to the privacy of those involved;
 - v. problems and conflicts of any significance concerning the relationship with third parties, such as the government or joint venture partners;
 - vi. calamities that have been reported to the Dutch Data Protection Authority (where data leaks are concerned) or to the judicial authorities;
 - vii. judicial proceedings;
 - viii. issues that have brought the foundations into the public eye in any way, or that are expected to come into the public eye;
 - ix. issues concerning the internal management systems, including the management reporting system.
- d. The Board of Directors submits an annual report to the Supervisory Board with the accumulated anonymized integrity complaint metrics.

Article 17 - Chair of the Board of Directors

1. The Chair of the Board of Directors is responsible for the overall management of Cordaid and ICCO and for its external representation. The Chair maintains the relationship with the Supervisory Board and ensures timely reporting to the Supervisory Board on all matters that are or could be important for the Supervisory Board's performance, and is responsible for consultation with the Works Council. The Chair of the Board of Directors ensures that the Works Council and its members can duly perform their tasks, and ensures proper consultations with the Works Council in the spirit of the law.
2. The overall tasks of the Board of Directors are distributed internally in accordance with the provisions of these regulations, subject to the Supervisory Board's prior approval.

Article 18 - Calling Meetings and Decision Making by the Board of Directors

(For further information see Article 9 of the Articles of Association)

1. Pursuant to Article 9, paragraph 1 of the Articles of Association, the Chair of the Board of Directors calls a meeting at least 12 times a year. In accordance with paragraph 2, each member of the Board of Directors is authorised to call a meeting of the Board of Directors with at least 5 days prior notice and stating the subjects to be discussed, in writing.
2. A consensus is sought for any decision.
3. The Chair of the Board of Directors is entitled to postpone and/or suspend any (intended) decision of the Board of Directors for 10 (ten) working days and to present the matter to the Supervisory Board. This should be done in writing and must contain a summary of the discussions between the members of the Board of Directors regarding the (intended) decision. The Chair of the Board of Directors will ask the Supervisory Board to meet as soon as possible to discuss the matter. Pending treatment by the Supervisory Board, the decision of the Board of Directors will not be executed. The Supervisory Board's decision regarding the appeal is final.

4. The Board of Directors is responsible for the appropriate communication regarding decisions in order to guarantee the implementation of these decisions.
5. If a member of the Board of Directors does not agree with a decision made by the Board of Directors, he/she should present this matter to the Supervisory Board. This should be done in writing and must contain all the arguments. The Chair of the Board of Directors will ask the Supervisory Board to meet as soon as possible to discuss the matter. Pending treatment by the Supervisory Board, the decision of the Board of Directors will not be executed. The Supervisory Board's decision regarding the appeal is final.

Article 19 - Evaluation and Assessment of the Board of Directors

1. Once every year, the Board of Directors makes an evaluation of the overall development of the organisation as well as its own operations and performance (both of its members and of the way it relates to the organisation and external relations). The results are discussed with the Supervisory Board.
2. Whenever needed but at least once every year, the Supervisory Board or a delegation thereof holds a performance review with each of the individual members of the Board of Directors.
3. The Supervisory Board can decide that a delegation from among its members will speak with one or more individual members of the Board of Directors, whether or not in the presence of the Chair of the Board of Directors, about either the state of affairs within the organisation or the performance of the Board of Directors.
4. Members of the Board of Directors can, in turn, request the Supervisory Board to participate in this type of review.

Article 20 - Remuneration of the Board of Directors

(See further the Articles of Association 5.4 and SBF standards 2.3c, 2.4a and 3.3a)

1. In their capacity as employees of the Cordaid Foundation (Article 5.4 of the Articles of Association), the members of the Board of Directors receive a remuneration for their work, the amount and structure of which are such that it makes it possible to recruit and retain qualified and experienced Directors. In this matter, and in accordance with the SBF standard, the Dutch Charities directives are taken into account. These are entitled 'Regulations for the Remuneration of Directors of Charities in Boards and Supervisory Boards' (and were previously known as the 'VFI Guideline for the Remuneration of Directors').
2. The Supervisory Board establishes the remuneration for individual members of the Board of Directors. The salaries of the members of the Board of Directors are accounted for in the Cordaid Annual Report, in accordance with the regulations referred to in paragraph a. using the '*Goede Doelen Nederland*' (Dutch Charities) formats.
3. Cordaid does not provide the members of the Board of Directors with personal loans, guarantees, and the like. If exceptions need to be made under special circumstances, the Supervisory Board's prior consent will then be required.

Article 21 - Deputising in the Board of Directors in the event of absence or inability to perform

In the event that the entire Board of Directors, or a member of the Board of Directors, is absent or unable to perform, the Supervisory Board will make sure that the missing member(s) of the Board of Directors is/are replaced.

Article 22 - Exit Scheme for the Board of Directors

Cordaid does not give ‘golden handshakes’ in case members of the Board of Directors leave, voluntarily or involuntarily. If and insofar as there are grounds for awarding compensation, this will be done in accordance with SBF standard 2.3c and CBF standard 5.3.2, whereby the Dutch Charities directives are taken into account. These are entitled ‘Regulations for the Remuneration of Directors of Charities in Boards and Supervisory Boards’⁵ (and were previously known as the ‘VFI Guideline for the Remuneration of Directors’). This will occur without prejudice to the right of the interested parties to go to the district court for determining any possible severance pay.

⁵ 2015 Amendment: In the spring of 2015 the management of ‘Goede Doelen Nederland’ (Dutch Charities) set up an advice committee for the remuneration of director’s regulations, which was made up of members of the supervisory boards of charity organisations, to advise the management of ‘Goede Doelen Nederland’ about possible amendments to these regulations. This was also linked to the implementation of WNT2 (Standard Remuneration Act) as of 1st January 2015. In line with the committee’s advice, the regulations were amended on 1st October 2015, and backdated to be effective from 1st January, 2015.

Status: The Code for Good Governance introduced by the Wijffels committee has a binding nature. This means that the members of ‘Goede Doelen Nederland’ are obliged to adhere to this code. If one of the principles is not carried out, the institution concerned is obliged to give a reason for the deviation of the code. These remuneration regulations can be seen as a further development of this code and, as such, they have the same nature. So therefore the “Comply or explain” motto applies here as well. Notwithstanding, this allows for “the competent authority” (Management or the Supervisory Board) to have its own responsibility when setting the directors’ remuneration and to be required to interpret the regulations in such a way that exceptional circumstances are taken into account to a sufficient degree.