

Regulations Audit Committee Supervisory Board HZ

Stichting HZ

The Supervisory Board of the Stichting HZ:

With consideration of the provisions in principle III.5 of the Sector Code Good Governance Universities of Applied Sciences;

With consideration of the provisions in the articles of incorporation of Stichting HZ;

Enacts the following Regulations Audit Committee Supervisory Board HZ;

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Stichting HZ

Article 1. Definitions

The following definitions are used in this regulation:

1. **HZ**: the Stichting HZ;
2. **Supervisory Board**: The Supervisory Board of the HZ;
3. **Executive Board**: the Executive Board of the HZ;

Article 2. General

2.1 The Supervisory Board may appoint an Audit Committee.

2.2 The Audit Committee focuses on the supervision of the Executive Board with regard to:

- a. the functioning of internal risk management and control systems;
- b. the financial information provision by the HZ;
- c. the compliance with recommendations and comments from the external accountant and the controller.

Article 3. Composition

3.1 The Audit Committee consists of at least two members appointed from and by the Supervisory Board.

3.2 One of the members of the Audit Committee is a financial expert, who has obtained relevant knowledge in financial operations at institutes or companies of equivalent size.

3.3 The Supervisory Board appoints one of the appointed members as the chairperson.

3.4 The position of chairperson cannot be fulfilled by a former member of the Executive Board of the HZ.

3.5 The members are appointed for a period of one year and can be repeatedly reappointed.

3.6 The Supervisory Board may make interim changes to the composition of the Audit Committee.

Article 4. Duties

4.1 The Audit Committee focuses at least on the supervision of the Executive Board with regard to:

- a. the functioning of the internal risk management and control systems, including the supervision on the compliance with applicable laws and regulations and supervision of the functioning of integrity codes and the treasury statute;

- b. the provision of financial information by the HZ (funding rules, choice of accounting policy, application and assessment of effects of new rules, insight into the use of "estimation items" in the annual accounts, making investments, obtaining and granting loans, buying and selling of immoveable goods, the annual accounts and the (multi-year) budget, work of the external accountant and controller on point, etc.);
 - c. the compliance with recommendations and follow-up on comments from the external accountant and the controller.
- 4.2 The audit committee is the first point of contact for the external accountant if irregularities are identified in the contents of the financial reports.
 - 4.3 The audit committee assesses in what way the external accountant shall be involved in the content and publication of financial reports, other than the annual accounts.
 - 4.4 Together with the Executive Board, the Audit Committee reports annually to the Supervisory Board about the developments in relation to the external accountant, including in particular their impartiality (including the desirability of rotation of responsible partners within the office of an external accountant tasked with the audit and of the performance of non-audit activities for the HZ by that same office).
 - 4.5 At least once every four years, the Audit Committee and the Executive Board undertake a thorough assessment of the functioning of the external accountant in the various entities and capacities within which the external accountant is functioning. The assessment is discussed in the meeting of the Supervisory Board.
 - 4.6 Together with the external accountant, the Audit Committee contributes to the preparation of the work plan of the controller. In doing so, they obtain knowledge of the findings of the controller.
 - 4.7 The Executive Board is required to, in a timely fashion, supply to the Audit Committee, both upon request and of its own accord, any information the Committee requires for the performance of its duty.

Article 5. Working Method

- 5.1 The Audit Committee meets at least four times annually, preferably prior to meetings of the Supervisory Board.
- 5.2 The chairperson prepares the meetings and sends the members a copy of the agenda prior to each meeting. Within the framework of preparing the agenda, the chairperson invites the members to contribute points to the agenda.
- 5.3 Meetings of the Audit Committee are, except for the provisions in the fourth section of this article, attended by at least one member of the Executive Board, unless the chairperson of the Audit Committee decides otherwise.
- 5.4 The Audit Committee may invite other members of the Supervisory Board, all members of the Executive Board, the external accountant, the internal controller, or other third parties to attend the meeting.

- 5.5 The Executive Board can initiate communications with the Audit Committee as often as it deems necessary or desirable with regard to financial matters that are relevant to the Audit Committee and the Supervisory Board as a whole.
- 5.6 The Audit Committee consults with the external accountant at least once annually, without the members of the Executive Board present.
- 5.7 The chairperson ensures that minutes are taken for the meetings. Statements of these are sent to the members of the Supervisory Board and the Executive Board.

Article 6. Annual Statement and Report

- 6.1 In the annual statement, the Supervisory Board publishes the composition of the Audit Committee, the number of meetings the Committee has held, as well as the most important topics that were discussed.
- 6.2 Annually, in February by the latest, the Audit Committee issues a written report to the Supervisory Board about the deliberations and findings concerning the preceding year.

Article 7. Final Provisions

- 7.1 These regulations enter into force on 7 March 2013.
- 7.2 These regulations will be published on the website of the HZ.
- 7.3 These regulations may be referenced as "reglement auditcommissie raad van toezicht HZ" ("Regulations Audit Committee Supervisory Board HZ").