

## **Wageningen UR's Corporate Governance Structure**

The Corporate Governance Code of Wageningen UR was compiled from the most suitable principles from the *Branchecode Governance HBO* ('Higher Vocational Education Sectoral Governance Code'), the *Code Goed Bestuur Universiteiten 2007* ('University Governance Code, 2007'), and the *Code Tabaksblad* ('Netherlands Corporate Governance Code'). When the three codes offered options for a specific principle, the strictest principle was selected. Wageningen UR's Corporate Governance Code, the Whistle-Blower's Regulations, the Regulations Complaints procedure unwanted behaviour, and the Wageningen Code of Conduct for Scientific Practice were established in 2008. The Wageningen UR Integrity Code was established in 2009.

The most important aspects of the Wageningen UR Corporate Governance Code are laid out below.

### **I Compliance with and enforcement of the code**

The main aspects of the Corporate Governance Structure of Wageningen UR, based partly on the principles referred to in this code, are explained in the annual reports from 2008. The up-to-date governance structure may be viewed on the website of Wageningen UR.

### **II Executive Board**

#### *Remit and working procedure*

The Executive Board is entrusted with the governance of Wageningen UR. Among other things, this means that the Executive Board is responsible for achieving the aims of the organisation and for its strategy, funding and policy, as well as for the corresponding results. In this, the Executive Board is accountable to the Supervisory Board. In fulfilling its remit, the Executive Board is guided by the interests of the organisation, taking into consideration the relevant interests of the individuals involved in it. The Executive Board promptly provides the Supervisory Board with all the information required to perform its tasks. The Executive Board is responsible for compliance with all relevant legislation and regulations and for managing the risks related to institutional activities. The Executive Board reports on this to and discusses the internal risk management and monitoring systems with the Supervisory Board and its Audit Committee.

#### *Remuneration*

The Supervisory Board sets the remuneration of the individual members of the Executive Board, based on the recommendation of the Remuneration Committee, and in accordance with the established remuneration policy and the relevant legislative frameworks, such as the regulations concerning the legal position of the members of the executive boards of schools of higher professional education (AMVB, 26 June 2001), the resolution on the legal position of the members of the executive boards of public universities (Stb 1998, 518), the policy framework for remuneration of members of executive boards (CvB 2000), the letter from the Minister of the Interior and Kingdom Relations to the Second Chamber of Parliament dated 22 December 2005 and the letter from the Minister of Agriculture, Nature and Food Quality to the Supervisory Board dated 1 October 2007. Details on the remuneration of individual members of the Executive Board are included in the "Remuneration" chapter of this annual report.

#### *Conflicts of interest*

Any form or appearance of conflicts of interest between Wageningen UR and members of the Executive Board is to be avoided. Decisions to enter into transactions which involve conflicts of interest of members of the Executive Board require the approval of the Supervisory Board if they are of material significance for the organisation and/or for the relevant members of the Executive Board.

### **III Supervisory Board**

#### *Remit and working procedure*

The remit of the Supervisory Board is to monitor the Executive Board and the general course of affairs concerning Wageningen UR and its related institutes and to advise the Executive Board. In

fulfilling this remit, the Supervisory Board is guided by the interests of the organisation, taking into consideration the relevant interests of the individuals involved in the organisation. The Supervisory Board is responsible for the quality of its own activities.

The members of the Supervisory Board are appointed by the Minister of Agriculture, Nature and Food Quality after nomination by the Supervisory Board. Members of the Supervisory Board are appointed for a maximum of four years, with the option of reappointment for a further term of four years.

#### *Independence*

The Supervisory Board is chosen in such a way that the members can operate independently and critically with respect to each other, the Executive Board and any special interest.

#### *Expertise and composition of the Board*

Every member of the Supervisory Board must be able to assess the overall policy in general terms. Every member of the Supervisory Board has specific expertise that is required for the performance of his/her task, within the roles set out in the Board profile. The composition of the Supervisory Board must be such that it is capable of performing its task effectively. Members of the Supervisory Board are reappointed only after careful consideration. The profile referred to above is also taken into consideration for reappointments.

#### *Composition and role of the core committees of the Supervisory Board.*

The Supervisory Board can appoint an Audit Committee and an Appointments and Remuneration Committee from its ranks. The task of the committees is to prepare the decisions of the Supervisory Board.

### **Audit Committee**

The Audit Committee focuses on monitoring the Executive Board with respect to the following:

- a) The operation of the internal risk management and monitoring systems, including compliance with the relevant legislation and regulations and the operation of integrity codes.
- b) The provision of financial information by the organisation (funding regulations, choice of accounting policies, application and evaluation of effects of new regulations, insight into the treatment of 'estimated items' in the annual accounts, prognoses, work of internal and external auditors on relevant aspects, etc.).
- c) Compliance with recommendations by internal and external auditors and following up on their comments.

### **Appointments and Remuneration Committee**

The Appointments and Remuneration Committee has the following responsibilities:

- a) Preparing selection criteria and appointment procedures for the members of the Supervisory Board and Executive Board.
- b) Preparing a profile of the Supervisory Board following consultation with both the Supervisory Board and the Executive Board of Wageningen UR.
- c) Making a proposal to the Supervisory Board regarding the remuneration policy to be implemented.
- d) Making a proposal regarding the remuneration of the individual members of the Executive Board, to be approved by the Supervisory Board.
- e) Preparing the remuneration report.

#### *Remuneration*

The Minister sets the level of remuneration for the members of the Supervisory Board for Wageningen University and the DLO Foundation. The level of remuneration for the Supervisory Board of the Van Hall Larenstein Foundation is determined by the Executive Board of the Foundation after the response of the Minister of Agriculture, Nature and Food Quality to the Executive Board's proposal has been considered.

#### **IV The audit of the financial reports and the position of the internal audit function and the external auditor**

The Executive Board is responsible for the quality and completeness of the financial reports published. The Supervisory Board ensures that the Executive Board fulfils this responsibility.

#### **V Horizontal dialogue**

The Executive Board bases its policy on its vision of the position of Wageningen UR within society. It translates that vision into a mission and policy objectives. The Executive Board provides information on the achievement of the policy objectives and communicates with relevant stakeholders.