

## ANNEX to the Supervisory Board Regulations of KWH Water B.V.

### PROFILE AND COMPOSITION OF THE SUPERVISORY BOARD IN ACCORDANCE WITH ARTICLE 1 PARAGRAPH 1

#### Profile of the Supervisory Board of KWH Water

The supervisory board profile indicates the requirements for the composition of the supervisory board, the personal qualities and qualities required of its members and the specific fields of knowledge and experience that are necessary in order to be able to properly cover KWH's field of activity as a supervisory board.

#### *Composition*

1. In accordance with the provisions of the Articles of Association, the Supervisory Board consists of four members.
2. The composition of the Supervisory Board is such that it can properly fulfil its tasks.
3. The composition is such that the members operate independently and critically (but solution-focused) of each other and the Executive Board and complement each other.
4. All members of the Supervisory Board are independent.
5. A balanced composition of the Supervisory Board shall be sought in terms of gender, age, international/cultural background and/or experience.
6. All relevant competences are sufficiently represented within the Supervisory Board or its committees.
7. Furthermore, the composition of the supervisory board should be balanced in such a way that the qualities attributed to the following roles are represented on the board: analyst, leader, visionary, mediator, ambassador and 'dumb'-questioner<sup>1</sup>.
8. Some of the supervisory board members come from the world of organisations that are involved in one way or another with water in the broadest sense of the word or organisations in other fields that have a great deal in common with services, markets and/or (production) processes at KWH and its subsidiaries, including, for example, experience in the field of valorisation of services in an international context.

#### *General, personal characteristics/qualities*

Each member of the Supervisory Board must meet the following requirements:

1. Be able to oversee and assess the main points of the overall policy and decision-making of the management of KWH Water and the most important risks involved (possess: strategic insight, a helicopter view, administrative experience or a feel for this).
2. Actively follow (international) societal, economic, political or other developments that are relevant to KWH Water, and be able to assess them.
3. Be aware of KWH's societal role and the interests of internal and external stakeholders, and also have a "social antenna" themselves.
4. Possess specific expertise and experience, in addition to the general personal qualities.

---

<sup>1</sup> **Analytic:** oversees complex situations, knows how to value information and to nuance this where necessary.

**Leader:** takes the lead, wants to exert influence and shows decisiveness.

**Visionary:** has a clear vision and knows how to expand the horizon.

**Mediator:** ensures agreement and advices. Prevents polarisation.

**Ambassador:** has a broad orientation and an external view. Always actively keeps abreast of what is going on inside and outside the organisation, avoids a narrow view by bringing in information from outside and also contributes to the organisation's image in the outside world..

**'Dumb'-questioner:** asks basic questions that can cause other points of view to be taken into account and that can lead to refreshing and practical new approaches/solutions/insights.

5. Have sufficient time to perform his or her duties properly. The expected time commitment for a regular member is on average 200 to 300 hours per year. The role of chairperson requires a larger time commitment.
6. Be of irreproachable character, honest, fair and independent, and have sufficient critical faculties.
7. Have an independent attitude, intuition and listening skills. Be a team player, well-balanced, and have the persuasiveness to effectively challenge proposed decisions.
8. Be able to fulfil the supervisory board's role as ambassador to internal and external stakeholders, particularly representatives of shareholders, clients and employees.
9. Be able and willing to account transparently for the manner in which the Supervisory Board has fulfilled its duties and responsibilities and endorse the importance of this.
10. Be able to fulfil chairing roles for committees within the supervisory board.
11. Have a good command of the Dutch and English languages (spoken and written).

*Specific areas of knowledge and experience.*

In relation to KWH Water's activities, markets and services, the Supervisory Board must have:

- administrative experience, either as a supervisory Board member or as director of an organisation or entrepreneur with a Supervisory Board;
- relevant operational, sector/industry, political administrative and international experience;
- experience with change processes and with the valorisation of knowledge;
- knowledge/experience in the fields of ICT, digitisation, HR, finance, technology, marketing/sales, legal affairs and risk management; and
- a scientific/R&D background/experience, network in the Netherlands and international network.

## APPENDIX Supervisory Board Supervisory Vision

### Introduction

KWH is an applied research organisation that makes important contributions to finding solutions to global water issues through leading, innovative and excellent research. It does this based on its mission statement: “Bridging Science to Practice”. KWH consists of two operational branches: KWR, which deals with topics of a more (semi-)public nature, and Allied Waters, which deals with topics of a more commercial nature. KWH is managed by a single-member management board, which is supported by a management team. The Supervisory Board, consisting of four members, supervises and fulfils the role of employer. KWH's shareholders are the eleven united Dutch and Flemish drinking water companies. The shareholders are also KWH's main clients. In addition, water boards, national and international (EU) governments, industry and SMEs are important clients.

### Purpose of this vision

The purpose of this vision is to clarify the tasks, responsibilities and roles of the Supervisory Board, particularly with regard to its relationship with the director and the MT. It also discusses the intended working method and tone of voice of the Supervisory Board.

### Tasks, responsibilities and roles of the KWH Supervisory Board

In addition to KWH's formal governance documentation, the Supervisory Board sees its three roles as follows: The KWH Supervisory Board has two committees: the Governance Committee (GC) and the Audit Committee (AC). The Supervisory Board is supported by the board secretary. The supervision and powers of the Supervisory Board, the chair and the two committees are formally described in the *“Articles of Association and Regulations of KWH Water B.V. and KWR Water B.V.”*, including appendices. The Supervisory Board meets at least five times a year with the director and any MT members and at least twice with the shareholders (AGM). The Supervisory Board has regular informal contact with the Works Council through one of the Supervisory Board members, and a formal consultation with the entire Supervisory Board takes place at least once a year. The Audit Committee meets at least three times a year and the Governance Committee at least twice a year, generally prior to a general Supervisory Board meeting.

In addition to KWH's formal governance documentation, the Supervisory Board sees its three roles as follows:

- **The Supervisory Board monitors** developments within KWH, with an eye for the social interests that KWH represents. The director is responsible for formulating and implementing KWH's strategy, finances and policy, as well as stakeholder management. KWH operates in a socially highly relevant but complex field of research, with many different stakeholders. The Supervisory Board monitors, among other things, adequate financial and operational management, the quality of the (research) activities and stakeholder management. Special attention is paid to risk management at the operational and strategic levels. The Supervisory Board ensures that the organisation carries out risk assessments and applies risk management in a structured and sufficiently thorough manner.
- **The Supervisory Board acts as an employer**, primarily assessing the performance of the director in the context of the organisation's strategy and objectives. In addition, the Supervisory Board monitors other HR-related matters such as absenteeism, staff turnover and the training and development of the management team.

- **The Supervisory Board is a sparring partner and sounding board** for the director and, secondarily, for the organisation. The Supervisory Board ensures that it is composed in such a way that it can fulfil this role for the various fields of expertise that are important to a research organisation such as KWH. The director can rely on the Supervisory Board members to make this expertise and their network available. The Supervisory Board members also proactively communicate the importance and strategy of KWH within their network, thereby acting as ambassadors for KWH. The director can always call on the Supervisory Board as a whole or on individual members to exchange ideas on specific topics.

### **Our tone of voice and approach**

We want to be a modern Supervisory Board for the KWH organisation in general and the director in particular. In addition to the substantive expertise of the Supervisory Board members, a number of more **personal skills** and **the Tone of Voice to be used** are important for this. We want to work on the basis of close and mutual trust with the director, MT and shareholders. From that basis, we want to motivate, stimulate and inspire the director and her team. This starts with an open, positive attitude, in which asking questions is essential before making suggestions. We are critical and helpful towards the director and the MT. We see it as an important part of our legal duty as an employer to enable the director to excel and shine in his or her role as a manager. We realise that the way in which we, as members of the Supervisory Board, provide advice and feedback has an impact on the director. High-quality R&D and innovation are of great importance to KWH. The Supervisory Board has an eye for and an open attitude towards the director and organisation with regard to the development, application and commercialisation of research results and knowledge. The Supervisory Board understands that not everything will lead to success.

**Our approach** is to act towards the director and the MT based on the three roles described above. The director manages and the Supervisory Board supervises and advises. A number of matters, such as the approval of (new) strategies, finances and certain policy changes (see also articles of association and regulations), require the formal involvement and consent of the Supervisory Board and/or shareholders. The Supervisory Board realises that the shareholders are also KWH's clients. As the Supervisory Board, we work closely with the director to ensure a good relationship and bond of trust with the drinking water companies and take their interests to heart. At the same time, it is important that the Supervisory Board safeguards its own role and independence, as well as that of the director and KWH.