

Good Governance Charter VIB

1 Introduction

VIB vzw, a non-profit organization, recognizes the importance of applying the principles of good governance.

This Good Governance Charter contains the basic principles of good governance, based on

- transparent segregation of duties and responsibilities;
- processes of verification and accountability.

These principles must be read together with the complementary provisions in the statutes and the legislation and decree provisions that apply to VIB.

VIB is committed to continuing to develop and adapt its principles of good governance to meet local and international developments and the needs of stakeholders.

VIB is thereby committed to annual reporting on its good governance.

2 VIB's mission and vision

VIB is a leading research institute in the life sciences and has an entrepreneurial mindset. We are a dynamic, multidisciplinary, and inclusive community of leading scientists.

Our researchers seek out innovative ideas and breakthrough insights that not only advance science but also deepen our fundamental understanding of life.

Our mission extends beyond the laboratory. We encourage collaboration and join forces with ambitious entrepreneurs to translate scientific breakthroughs into innovative products and technologies that make a difference for patients and society.

3 The structure of VIB

VIB is an organization established under the legal form of a non-profit organization. The governance structure of the association is primarily determined by the legal division of competencies between the general meeting and the board of directors under the Code of Companies and Associations (hereafter the 'CCA').

This legal division has been refined in the association's statutes.

VIB's governance bodies are shaped by the general meeting, the board of directors, the general management, and the executive committee. In addition, the board of directors established a number of management committees, including the audit committee and the remuneration committee.

4 The general assembly

4.1 Composition

The members of the association have control over the association's policy by way of the general meeting. Each member of the association is entitled to vote and has only one vote.

The competencies, rights, and memberships of the members are regulated by law and through the additional statutory provisions of the association.

The number of members of the association is not limited. The minimum number is set at fifteen (15).

The members are statutorily divided into the following categories:

1. Members, designated as representatives of the Flemish universities.
2. Members, designated as representatives of scientific institutions.
3. Members, designated as representatives of Flemish industry.
4. Members, designated as representatives of the Flemish trade unions.
5. Members, designated as representatives of the Flemish universities of applied sciences ("hogescholen").
6. Members, designated as representatives of the Flemish government.

The members of all these categories have the same rights and obligations except for those expressly reserved to the members of a particular category by the statutes.

In principle, the membership of the members of the association ends after six (6) years. However, membership is renewable for periods of six (6) years, provided the general meeting agrees.

The general meeting will have more members than the board of directors and will be composed in such a way that non-directors form the majority in the general meeting.

4.2 Competencies

The general meeting has the following competencies:

- Amendments to the statutes
- The appointment and dismissal of directors and, where appropriate, the determination of their remuneration.
- The appointment and dismissal of the auditor and the determination of their remuneration.
- Discharge the directors and auditor
- Approval of the budget and annual accounts
- The voluntary dissolution of the association
- The exclusion of members
- The acceptance of replacement members or new additional members according to the modalities set out in these statutes.

The general meeting is convened at least once a year in ordinary session during April to approve, among other things, the annual report, the annual accounts, and the budget for the following financial year.

The general meeting is convened by the board of directors or the chair of the board of directors whenever the purpose or interest of the association requires this.

The chair of the board of directors, or, where applicable, the auditor is also obliged to convene a general meeting whenever at least one-fifth of the members request this in writing.

4.3 Modalities

The following modalities are regulated in the statutes:

- Invitation of members and non-members to the meetings
- Agenda setting
- Voting rights, voting procedure, and the number of votes required.
- Renewal of membership, replacement of members, appointment of additional members, and exclusion of members or termination of membership.
- Chairing the meeting
- Taking the minutes of the meeting

5 The board of directors

5.1 Competencies/ responsibilities/ tasks

The board of directors manages the association and represents it in and out of court.

The board of directors determines the strategy and main policies of the association.

The board of directors contributes to the performance of the association by providing (strategic) direction to the association, exercising control over the executive management, and assessing and managing the association's opportunities and risks within a framework of efficiency and effective controls.

The board of directors acts on a collegial basis and has full authority to perform all administrative and dispositional acts. All matters not expressly reserved to the general meeting by the statutes fall within the jurisdiction of the board.

The board of directors may grant specific powers to persons within or outside the board.

The board of directors will transfer the day-to-day management to a general management team under its aegis and will set up committees within its ranks.

The board of directors not only supervises management but also acts as a sounding board and advisor to it. The board of directors shall refrain from interfering in day-to-day management and shall respect the operational autonomy of the executive board.

5.2 Composition

5.2.1 Scope

The association is governed by a board of thirteen (13) directors, elected from among the candidates nominated by the members under the following provisions. The directors do not need to be members of the association.

The board of directors is composed as follows:

1. Six directors must be elected from the candidates nominated by the members, designated as representatives of the Flemish universities. These directors are mandated by the academic authorities of the institutions they are designated to represent. The board of directors must consist of two (2) members from Katholieke Universiteit Leuven (Catholic University of Leuven, KU Leuven), two (2) members from Universiteit Gent (University of Ghent), and one (1) member each from Vrije Universiteit Brussel (Free University of Brussels, VUB) and Universiteit Antwerpen (University of Antwerp).
2. Five directors must be elected from the candidates nominated by the members, designated as representatives of Flemish industry.
3. Two directors must be chosen from the candidates nominated by the Flemish supervisory minister for VIB.

The meetings of the board of directors are also attended by:

- Two (2) government representatives appointed by the Flemish Government
- The general management of VIB
- A representative of the scientific management of the VIB research centers
- The secretary of the board of directors

5.2.2 Optimal mix/ diversity

The board of directors determines the criteria that candidate directors must meet. The board of directors must be composed in such a way that it contains the profiles needed for it to function and make decisions in a professional manner and thus contribute to the realization of VIB's objectives and strategic ambitions. When a mandate becomes available, a profile sketch will always be drawn up to ensure a complementary composition of competencies.

When appointing the board of directors, a good distribution of biotechnology expertise will be sought across various disciplines within the life sciences cluster and the VIB research domains. Specific skills or professional competencies will also be taken into account.

Managers should possess to the greatest extent the following qualities:

- Personal qualities such as integrity and a sense of responsibility, informed judgment, self-confidence, and high standards
- Core competences such as strategic insights into excellence policy in a research environment and knowledge of the Flemish and European industrial and academic innovation landscape
- Commitment or loyalty to VIB, including actively attending board meetings
- Specific skills or professional competencies

A representative representation is sought, with a maximum of 2/3 of the directors being of the same sex.

Finally, a degree of continuity will also be sought by, for example, not replacing more than half of the directors in a particular category (industry, university, government) at one time.

5.2.3 Independence

The directors will, during the exercise of their mandate:

- Not be employees of the association
- Perform no duties relating to the auditor's audit activities

- Have no direct family ties up to the second degree with members of the management team.
- Not be associated with VIB in any other way than through their mandate.

Each member of the board of directors shall serve in the capacity of a member of the board and:

- Be guided exclusively by the general objective of the board of directors of VIB vzw, aimed at sustaining and strengthening a successful institution.
- Remain impartial in all circumstances in assessments, decisions, and actions.
- Clearly express their concerns and, where appropriate, have their opposition to a proposal submitted to the board of directors recorded in the minutes if they believe such a proposal could harm the interests of VIB vzw.

5.2.4 Incompatibilities

The mandate of director at VIB is not compatible with the following:

- A relationship as an employee of VIB or of a VIB start-up company in which VIB maintains a significant stake (>30%).
- A relationship as a consultant to VIB or to a VIB start-up company in which VIB maintains a significant stake (>30%) if the services provided to VIB and/or its start-up represent a significant part (>30%) of its total services.
- A management position in a company with a significant commercial link with VIB (activity for VIB is >30% of the turnover of this company).
- A management position in VIB during the last 3 years
- A mandate or management position in a company or organization with interests conflicting with those of VIB

5.2.5 Duration of mandate

Directors are appointed for a maximum of four (4) years by the general meeting, which appointment may be revoked by the latter at any time. The director's mandate is renewable twice. Any director may terminate their directorship by giving written notice of this to the general meeting.

5.2.6 Reappointment procedure

When a directorship ends, an evaluation will take place within the remuneration committee in the context of a possible renewal of the mandate (up to 2 times).

5.2.7 Introduction and training of new directors

The chair of the board of directors shall ensure that newly appointed directors receive an appropriate induction to ensure their contribution to the board of directors. They will be assisted in this by the general management and the secretary.

5.3 Functioning and organization of the board of directors

5.3.1 Frequency and duration of meetings

The board of directors meets whenever the interests of the association require it, with a minimum frequency of 5 meetings per annum. The chair, vice-chair, or two directors shall convene the board at least seven days before the date of the meeting. In exceptional cases, a shorter notice period of at least twenty-four hours may suffice.

5.3.2 Attendances

The directors strive for maximum attendance at board meetings. This attendance will also be made public annually.

Any director who is unable to attend may, either in writing or by e-mail, mandate a fellow director to represent them at a specific meeting. A director may represent only one of their fellow directors.

The board of directors can only validly deliberate and decide if at least half of its members are present or represented. If this condition is not met, a new meeting may be convened at least 1 week after the 1st meeting which will validly deliberate and decide on the items on the agenda of the previous meeting provided that at least four directors are present or represented.

The meetings of the board of directors may be organized by video or teleconference.

5.3.3 Agenda and minutes

The agenda and the board of directors are arranged by the general management and discussed with the chair of the board of directors. Each agenda item indicates whether this item is for information or a decision.

Any member of the board of directors may propose agenda items. This proposal must be submitted in writing to the general management at least five working days before the meeting. Only the items on the agenda will be discussed. However, in case of urgent necessity, the board of directors may decide to discuss an item that is not on the agenda provided that the members present at the meeting agree to this.

The deliberations and decisions of the board of directors are recorded in minutes signed by the chair of the meeting and the secretary. The minutes accurately reflect all decisions taken and the persons responsible for them. The minutes also mention explicit caveats by directors. The secretary of the board of directors is responsible for drawing up the minutes. The minutes will be approved at the next meeting of the board of directors.

5.3.4 Information

In particular, the invitations, the agenda, and the documents endorsed by the general management for the meetings of the board of directors shall be sent by the general management to the chair and members of the board of directors at least five working days before the meeting. In cases of urgent necessity, which the chair decides in consultation with the general management, members can receive the invitations and documents up to the day before the meeting. The periodic reporting essentially (without being exhaustive) concerns:

- The executive board of the research institution
- The status of the implementation of the strategy decided by the board
- The financial and operational status of the research institution
- The important initiatives, business opportunities, and projects that arise from the research institution.
- Any important contracts or commitments entered into

Reporting from the research institution to the board of directors or vice-versa goes via the general management.

The general management is invited to attend meetings of the board of directors, except for those (partial) meetings in which their appointment, dismissal, employment conditions, or status is discussed.

5.3.5 Evaluation

The board of directors shall subject its operations to an internal evaluation at least every three years to determine whether it is fulfilling its tasks and responsibilities properly and efficiently. The chair of the board of directors shall propose appropriate measures to the board of directors based on this evaluation.

5.3.6 Code of conduct on conflicts of interest

A conflict of interest can only arise if there is an individual interest on the part of one or more directors.

If a director has, directly or indirectly, a personal interest - or an interest relating to a related person or organization - of a **financial or other nature** that conflicts with a decision or transaction falling within the authority of the board of directors, they must:

- Inform the chair of this before the matter is deliberated
- Address any conflicting interests of other directors and encourage them to report them
- Follow the statutory conflict of interest regulations in the way the chair deems appropriate
- In the event of doubt or if the chair is prevented from doing so, take the initiative themselves to follow the statutory conflict of interest regulations.

If there is a conflict of interest, the director concerned must not attend the meeting or the relevant part of the meeting.

If the chair is in a conflict of interest, communication will be directed to the oldest person, who then acts as chair for that purpose.

5.4 Deliberations and decision-making

The meeting shall be chaired by the chair or, in their absence, by the vice chair, or in their absence by a director designated by their colleagues. The person chairing the meeting shall appoint a secretary, who may or may not be a director.

The board of directors is a collegial body and always strives for decision-making based on consensus. If no consensus can be reached, decision-making will be by majority vote.

Except for the appointment of the general management, every decision of the board shall be taken by a simple majority of the votes of the directors present and represented, not counting abstentions. Only the decision to appoint the general management requires a three-quarters majority vote. In the event of a tie, the chair has a casting vote.

5.5 The chair and vice-chair of the board of directors

The board of directors appoints a chair to be elected from among the directors nominated by the members, designated as representatives of Flemish industry. The board of directors shall appoint a vice-chair to be elected from among the directors nominated by the members, designated as representatives of the Flemish universities.

The board of directors determines the duties of these persons and may grant them specific powers required for the exercise of these duties.

5.6 Compensation policy

The mandate of director shall be remunerated unless otherwise decided by the general meeting or if a director personally and expressly waives receiving such remuneration. The amount of remuneration is determined by the general assembly.

5.7 Government commissioners

The government commissioner, appointed by the Flemish Government on the recommendation of the Flemish guardian minister for VIB, supervises the substantive implementation by VIB of its objectives. The government commissioners participate in the meetings of the board of directors as advisors.

The government commissioner has a duty of confidentiality to VIB.

5.8 Representation of scientific directors

The scientific directors of the VIB research centers may elect a representative from among themselves. This director may participate in the boards of directors in an advisory role.

This representative of the scientific directors has a mandate for 4 years (in line with board mandates).

6 Advisory committees

6.1 Provisions applicable to all advisory committees

The board of directors may at any time set up and install committees within its ranks, either permanently or on an *ad hoc* basis, to advise and assist the college of directors on specific matters. The committees formulate their advice to the board of directors by consensus. However, the final decision-making authority for this will rest with the board of directors.

After each meeting of the committee, the chair of the committee shall report to the board of directors at the next board meeting after the committee meeting.

If a conflict of interest arises in a committee established for reporting to the board of directors, the committee member concerned must not attend the meeting or the relevant part of the meeting.

6.2 The audit committee

The audit committee advises the board of directors in fulfilling its supervisory role to audit in the broadest sense. The audit committee is responsible for developing an audit program covering all activities of the research institution and is responsible in particular for monitoring:

- The accuracy, correctness, completeness, timeliness, and usefulness of financial reporting.
- Effective internal checks and risk management
- Compliance with laws and regulations
- Internal audit assignments
- External audit

At the direction of the audit committee, internal audits are carried out on an ongoing basis, including internal procedures and the management of potential risks for the association. The results are reported to the audit committee. An external audit is also organized. This external audit is carried out by a statutory auditor appointed by the general meeting on the proposal of the board of directors.

The audit committee is mainly composed of independent directors and has at least 3 members. The board of directors ensures that the members of the audit committee have sufficient relevant expertise.

The chair of the audit committee is not the chair of the board of directors. The chair may invite members of the general management or their representatives to attend the meetings of the audit committee or parts of it. The CFO is invited on a permanent basis and fulfills the role of secretary of the audit committee.

The chair may also invite independent experts and/or the statutory auditor of the non-profit organization.

However, non-members of the audit committee have no voting rights.

The government commissioner, an authorized representative of finance, is also invited to the meetings of the audit committee. They will not, however, participate in any votes.

6.3 The remuneration and strategic committee

The nomination, remuneration, and strategic committee makes recommendations to the board of directors regarding:

- The qualifications of candidate directors
- The appointment of the members of the executive board
- The remuneration of members of the executive board
- The overall remuneration policy of the research institution
- The strategy of the organization

The nomination, remuneration, and strategic committee is mainly composed of independent directors and has at least 3 members. The members of the nomination, remuneration, and strategic committee elect their own chair. The chair may invite independent experts to assist the nomination, remuneration, and strategic committee. The general management or their representatives are always invited to attend the meetings of the nomination, remuneration, and strategic committee.

The committee meets whenever deemed necessary and reports on its activities to the board of directors following the above principles.

6.4 Ad hoc committees

Ad hoc committees are set up within the board as needed for dealing with, amongst other matters, the establishment of start-ups, capital increases in start-ups, contributions in kind to start-ups, and divestments of participations in VIB start-up companies. The composition (chair and number of members) of these ad hoc committees is decided each time by the board of directors, depending on the needs. Where necessary, these committees are supplemented with one or more members of the executive management.

The chair of the ad hoc committee may invite independent experts to assist the ad hoc committee. The chairs of the ad hoc committees report on their activities to the board of directors, following the above principles.

6.5 Institutional advisory board

The board of directors establishes an institutional advisory board (IAB) and appoints its members.

The IAB advises the general management and the board of directors on institutional science, technology, and general policy and assists them in developing a long-term institutional strategy.

The IAB is composed of international, independent experts with a broad insight into life sciences and the implementation of an institutional policy focused on excellence in science, industrial exploitation, and training. When composing this advisory board, a representative apportionment of each sex will be sought.

This institutional advisory board is appointed for 5 years and issues advice on average once a year.

7 The general management team and executive committee

7.1 General management

The board of directors delegates the day-to-day management of the association to a general management team. The board of directors determines the powers of the general management. The members of the general management cannot be directors but do have the right to attend the meetings of the board of directors and the general meeting in an advisory capacity.

7.1.1 Composition

The general management may consist of one or more persons, each of whom, where appropriate, has their own set of duties assigned by the board of directors.

7.1.2 Competencies/ responsibilities/ tasks

The general management receives a clear mandate from the board of directors and is responsible for the day-to-day management and operational management of VIB. The general management is accountable to the board of directors for the exercise of its responsibilities/powers.

The duties of the general management within the powers granted include but are not limited to:

- Observing day-to-day management at an institutional level in the broad sense
- The preparation and implementation of the decisions of the board of directors, including those determining the institute's strategy.
- Implementing an institutional excellence policy
- Generating a stimulating environment for high-quality strategic basic research in life sciences
- Identifying, introducing, and developing business opportunities and projects.
- The management of VIB's central support services
- The defense of the interests of the institution vis-à-vis third parties within the limits of their mandate.
- Reporting regularly on each of the foregoing aspects to the board of directors.

7.1.3 Appointment and dismissal

The members of the general management are appointed or, if necessary, dismissed by the board of directors with three-quarters of the votes of the present and represented directors.

7.2 Executive committee

The general management is assisted in a number of its tasks and assignments by an executive committee. The scientific directors of the executive committee are appointed by the board of directors on the recommendation of the appointments and remuneration committee.

7.2.1 Composition

The executive committee is composed of the general management and the scientific directors of the VIB research centers. The executive committee may be further expanded to include the directors and/or managers of the services concerned.

The executive committee is chaired by the general managers.

7.2.2 Competencies/ responsibilities/ tasks

The executive committee assists the general management and its role is to:

- To create institutional added value by, amongst other things, stimulating optimal interaction between the VIB research centers.
- Structurally involve the VIB research centers in decisions that lead to the definition of new institutional concepts or substantive research orientations.
- Develop an institutional long-term strategy.

The executive committee has an advisory power in this regard, which helps the final decision-making process in the board of directors. To do this, the board of directors invites a spokesperson from the scientific directorate of the executive committee to attend meetings of the board of directors and to ensure, firstly, that the advice of the management committee is correctly transmitted and explained to the board and, secondly, that the decisions of the board are correctly communicated to the management committee by the general management.

The scientific directors of the executive committee select this spokesperson from their ranks. The spokesperson is appointed for 4 years.

7.2.3 Group leader committee representation

The group leaders of the VIB research groups may elect a representative from among them. If the general management agrees, more than one representative can be elected. These group leaders can participate in the executive committee in an advisory role.

7.2.4 Deliberations and decision-making

The executive committee aims to act both internally and in its relationship with the board of directors as a collegial body within the limits imposed by the board of directors and as included in the delegation of powers decision, the published powers of attorney, and the management agreement and its addenda.

8 Code of Ethics

8.1 Duty of confidentiality

To promote open discussion, in the meetings of both the board of directors and of the committees, the members of the board of directors undertake to maintain the confidentiality of information and deliberations, in accordance with legal obligations.

8.2 Integrity and ethics

VIB strives to operate in all parts of the organization with the highest possible level of business, scientific, and ethical integrity. VIB proposes an ethical code of conduct for this.

8.3 Scientific integrity

Scientific integrity is an integral part of VIB's organizational culture. VIB has a charter on scientific integrity for encouraging good research practices.