



Terms of Reference for the Security & Stability Committee

Appendix tot he Code of governance, setting out the principles and best practices to be followed by SIDN's Supervisory Board

These Terms of Reference have been drawn up on the basis of Article 5.2 of the Code of Governance, setting out the principles and best practices to be followed by SIDN's Supervisory Board.

Article 1

Remit of the Security & Stability Committee

- 1.1. Notwithstanding the provisions of Article 5.1 of the Code of Governance of SIDN's Supervisory Board, the Security & Stability Committee is to advise the Supervisory Board on matters relevant to its remit and is to make preparations for decision-making by the Supervisory Board on such matters.
- 1.2. The Security & Stability Committee is to generally support the Supervisory Board in the discharge of its supervisory responsibilities with regard to the confidentiality and stability of SIDN's services and the system for monitoring SIDN's compliance with applicable legislation, regulations and codes of conduct. The Security & Stability Committee is to report its findings to the Supervisory Board.
- 1.3. More specifically, the Security & Stability Committee is to concern itself with at least the following matters: significant operational risks with potential security and stability implications; the results of the annual Security Audit (ISO 27001/2), the results of ad hoc partial audits and penetration tests; the associated recommendations and observations made by the external auditor and security officer; the related action taken and to be taken by SIDN.
- 1.4. The Security & Stability Committee is to report its findings to and discuss such information with the Supervisory Board.
- 1.5. With regard to the external audit and in preparation for definitive decision-making by the Supervisory Board, the Security & Stability Committee is to:
 - a. review the scope and methodology of the annual security & stability audit plan prepared by the external auditor;
 - b. formally review the independence of the external auditor at least once a year, record the conclusion of that review in writing and, if appropriate, concern itself with changes to SIDN's policy on the independence of the external auditor;
 - c. assess the performance of the external auditor against measurable criteria, and regularly advise the Supervisory Board regarding the (re)appointment of the external auditor and the rotation of the managing security & stability partners;
 - d. approve changes to SIDN's policy regarding the independence of the external auditor;
 - e. discuss the external auditor's annual report with the external auditor, and advise the Supervisory Board accordingly.
- 1.6. Once a year, the Security & Stability Committee is to discuss with the Management Board SIDN's security and stability policy, the principal areas of risk and the way that SIDN assesses and manages the risk to which it is exposed.
- 1.7. Once a year, the Security & Stability Committee is to review the effectiveness and results of the investigation and follow-up procedures adopted by the Management Board. The Security & Stability Committee is also to receive regular updates from the Management Board, the external auditor and the security officer.



- 1.8. In preparation for decision-making by the Supervisory Board, the Security & Stability Committee is to provide the Supervisory Board with all the information and documentation that it may reasonably require in order to perform the supervisory tasks referred to in this article or that the Supervisory Board has requested.
- 1.9. The Supervisory Board delegates to the Security & Stability Committee only powers relating to matters specifically referred to in these Terms of Reference or rightly required and powers relating to other matters identified by the Supervisory Board.

Article 2

External auditor

- 2.1. The Security & Stability Committee is to make a recommendation regarding the appointment of an external auditor, which under SIDN's Constitution requires the approval of the Supervisory Board. The Security & Stability Committee is to consider the appropriateness of retaining the external auditor and to recommend replacement if appropriate.
- 2.2. The external auditor is required to confirm his independence in a written statement.

Article 3

Composition, expertise and independence of the Security & Stability Committee

- 3.1. The Security & Stability Committee is to have two members.
- 3.2. Notwithstanding the provisions of Article 3.3 of the Code of Governance of SIDN's Supervisory Board, the composition of the Security & Stability Committee is to satisfy the following requirements:
 - a. At least one of the Security & Stability Committee's members must have relevant knowledge and experience of information security management, business continuity and disaster planning.
 - b. Neither the chairman of Supervisory Board nor any member or former member of the Management Board may (simultaneously) act as chairman of the Security & Stability Committee.

Article 4

Chairmanship

In accordance with the provisions of Article 4 of these Terms of Reference, the Security & Stability Committee is to appoint a chairperson from among its own members. The chairman is to be primarily responsible for ensuring that the Security & Stability Committee operates correctly. He/she is to act as the Security & Stability Committee's spokesperson and principal contact for the Supervisory Board.

Article 5

Security & Stability Committee meetings (agendas, participants, and minutes)

- 5.1. The Security & Stability Committee is to meet at least once per year and as often as one or more of its members consider necessary. The meetings will ordinarily be held at SIDN's offices, but may be held elsewhere.
- 5.2. The Security & Stability Committee will decide whether and, if so, when members of the Management Board or the external auditor or the security officer may attend its meetings.



- 5.3. Each Security & Stability Committee meeting is to be convened by the person that wishes it to take place. Insofar as is practicable, the notice of the meeting and the agenda are to be sent to committee members at least seven days before the meeting.
- 5.4. Security & Stability Committee meetings are to be minuted. The minutes will ordinarily be approved at the next meeting; however, if all members of the Security & Stability Committee agree with the content of the minutes, they may be approved before the next meeting. Approved minutes are to be signed by the chairman and copies sent to the other members of the Security & Stability Committee at the earliest opportunity.

Article 6

Appointment of experts

The Security & Stability Committee may appoint an independent adviser, if it considers this necessary to enable it to fulfil its remit.

Article 7

Investigations

The Security & Stability Committee may undertake any investigations that it considers necessary or desirable for the fulfilment of its remit.

Article 8

Security & Stability Committee's expenses

All expenses incurred by the Security & Stability Committee or by its appointed external advisers and/or other expert assistants, and all expenses incurred in the context of any investigation undertaken by the Security & Stability Committee are to be met by SIDN.

Article 9

Applicability of the Code of Governance of SIDN's Supervisory Board

The provisions of the Code of Governance of SIDN's Supervisory Board apply equally to the Security & Stability Committee and to its individual members. However, in the event of any conflict between the provisions of these Terms of Reference and the provisions of the Code of Governance, the former shall prevail.

The English-language version of these Terms of Reference is a translation of an original Dutch-language text. In the event of any discrepancy between the two, the Dutch version will prevail.