



**REGULATIONS
MEMBERS' COUNCIL**

ROYAL FLORAHOLLAND COOPERATIVE U.A.

**Approved on
25 November 2020 and adopted on 10 December 2020.**

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ROYAL FLORAHOLLAND MEMBERS' COUNCIL REGULATIONS

Article 1 – General, status and content of the regulations

- 1.1 These Members' Council regulations (the 'Regulations') have been drawn up by the Members' Council (the 'MC') of Royal FloraHolland Cooperative U.A. ('Royal FloraHolland') subject to the approval of the Supervisory Board (the "Supervisory Board") in accordance with the provisions of Article 28 par. 22 of the Articles of Association of Royal FloraHolland (the 'Articles of Association'), and serve to supplement the rules and regulations concerning organisation and working procedures applicable to the Management Board in accordance with law, the regulations based thereon and the Articles of Association.
- 1.2 These Regulations were approved by the Supervisory Board on 25 November 2020 and adopted by the Members' Council on 10 December 2020.
- 1.3 In the event of inconsistency between these Regulations and Dutch law or the Articles of Association of the Company, the latter shall prevail. Wherever these Regulations are compatible with the Articles of Association, although in conflict with Dutch law, the latter shall prevail. If one of the provisions from these Regulations is invalid or no longer valid, the validity of the remaining provisions shall remain unaffected. The Members' Council shall, subject to the approval of the Supervisory Board, replace the invalid provisions with valid provisions of which the effect, provided the content and purpose thereof, is equivalent to those of the invalid provisions as much as possible.
- 1.4 For the purposes of these Regulations, the term 'in writing' shall also be understood to mean by electronic means.
- 1.5 Where the masculine form is used in these Regulations, this shall also be understood to imply the feminine form and vice versa.

Article 2 – Incidental non-compliance, amendment

- 2.1 Without prejudice to the provisions of Article 1, par. 3, the Members' Council may, in consultation with the Supervisory Board, decide not to apply these Regulations in exceptional cases.
- 2.2 Without prejudice to the provisions of Article 1, par. 3, the Members' Council may amend these Regulations by decision, subject to the approval of the Supervisory Board.

Article 3 – Composition of the Members' Council

- 3.1 In accordance with Article 28, par. 1, of the Articles of Association, Royal FloraHolland shall have a Members' Council which forms the general meeting of the Cooperative.
- 3.2 The Members' Council shall consist of not fewer than thirty-five (35) and not more than forty-five (45) natural persons. Only natural persons belonging to the circle of members may be members of the Members' Council.
- 3.3 The following natural persons shall belong to the circle of members:
 - a. natural person members;
 - b. the direct or indirect directors of legal entity members;
 - c. the shareholders of legal entity members;

- d. the members of a group of persons who are members of the Cooperative as referred to in Article 6, par. 2, of the Articles of Association;
- e. the direct or indirect directors of the members referred to in d;
- f. the direct or indirect directors of a legal entity which is a member or shareholder of a legal entity not itself running a floricultural business (such as growers' associations), as referred to in Article 6 par. 1 of the Articles of Association.

By way of derogation from the provisions of this paragraph 3, the Members' Council may also appoint as members of the Members' Council, at the proposal of the Nomination committee as referred to in Article 30 of the Articles of Association (the "Nomination Committee"), persons other than the persons authorised to represent legal entity members referred to under b, who are registered as such in the trade register of the Chamber of Commerce. The Members' Council may lay down further criteria for this purpose and amend these from time to time as required.

- 3.4 Candidates for appointment and appointed members of the Members' Council shall comply with a profile drawn up by the Members' Council (**appendix A**). The composition of the Members' Council should also take into account a sufficient cross-section of the membership of Royal FloraHolland, striving for a high quality and mixed composition so that the Members' Council can carry out its tasks properly.

Article 4 – Appointment/reappointment, term of office and resignation

- 4.1 The members of the Members' Council shall be appointed by the members of the Cooperative at a meeting of members convened for that purpose on the proposal of the Nomination Committee. Interim appointments shall be made if there are five (5) or more vacancies in the Members' Council.
- 4.2 The appointment procedure for the members of the Members' Council of Members is set by the Supervisory Board. The Members' Council itself shall be responsible for the correct and timely application of the appointment procedure and the consequences thereof.
- 4.3 The members of the Members' Council shall serve for a term of four (4) years. A retiring member of the Members' Council may be reappointed for a subsequent period of four (4) years. After a member has served on the Members' Council for two (2) terms, he/she shall be eligible for a further term after not having been a member of the Members' Council for at least four (4) years. This new term shall then be considered a first term, and he/she may be reappointed for a second term as referred to above.
- 4.4 A member of the Members' Council appointed in the interim shall serve in place of the person he/she is succeeding. In the event that the first term of office of a predecessor has not lasted longer than half of the original term, that period shall not apply to the provisions of par. 3 of this Article.
- 4.5 The Members' Council shall ensure a balanced resignation schedule (**appendix B**). The retirement schedule may provide for a derogation from the term for which a member of the Members' Council is appointed, provided that the term for which a member of the Members' Council has been appointed may not exceed four (4) years.

- 4.6 A proposal for the reappointment of a Members' Council member shall at all times be carefully considered by the Nomination Committee and shall not be an automatic procedure. In the event of reappointment, consideration shall be given to the way in which the candidate has fulfilled his/her duty as a member of the Members' Council. For each nomination for reappointment, the Nomination Committee shall state that and why the nominated candidate has properly fulfilled his/her duties as a member of Members' Council.
- 4.7 A member of the Members' Council may be suspended by the Members' Council for inadequate performance, or when this is deemed sufficient by the Members' Council. Suspension shall be for a maximum period of three (3) months, which may be extended not more than once for a further period not exceeding three (3) months. The Members' Council may, in any event, suspend a member from the Members' Council if it considers that events and circumstances giving rise to the grounds for dismissal referred to in paragraphs 8(c) and (d) of this Article are likely to occur.
- 4.8 A member of the Members' Council shall resign:
- a. by, and at the time of, his/her ceasing to belong to the circle of members, as referred to in Article 3 par. 3;
 - b. by, and at the time of, his/her appointment as a member of the Supervisory Board, member of a FloraHolland product committee, as referred to in Article 25 of the Articles of Association ("FPC") or member of a "regional advisory committee", as referred to in Article 26 of the Articles of Association ("RAC");
 - c. by, and at the time of, his dismissal from his/her position by means of a decision to that effect by the members of the Cooperative, taken with due observance of the relevant provisions in the Articles of Association or any regulations of the Cooperative, and which the members shall at all times have the authority to take where:
 - (i) the member of the Members' Council acts in contravention of the Articles of Association, any regulations of the Cooperative or any decisions of bodies of the Cooperative;
 - (ii) unreasonably prejudices the Cooperative and/or Royal FloraHolland;
 - (iii) the Cooperative cannot reasonably be asked to allow Members' Council membership to continue, which shall at least include cases in which the member of the Members' Council is subject to a prohibition under civil law as referred to in articles 106a up to and including 106e of the Bankruptcy Act or a similar prohibition under foreign law, and cases in which the member has been convicted under criminal law because of membership of a prohibited organisation, in the Netherlands and/or outside the Netherlands.
 - d. in the event of unsatisfactory performance, systemic incompatibility of interests or when otherwise deemed necessary by the Members' Council.

Article 5 – Remuneration

- 5.1 Members of the Members' Council shall be entitled to remuneration for preparing and attending Members' Council meetings, and for work relating to the position of Members' Council member. The remuneration for members of the Members' Council members shall not be dependent on the results of the cooperative.

- 5.2 All costs reasonably incurred in relation to performing duties, such as travel expenses, shall be reimbursed to the members of the Members' Council.
- 5.3 The amount of the remuneration referred to in par. 1 and the amount of the costs referred to in par. 2 that are eligible for remuneration, as well as the manner and time at which these are paid, shall be set annually by the Supervisory Board and announced through the Cooperative's online platform. **(Appendix C)**.
- 5.4 The total amount of the remuneration and costs to be paid annually shall be stated in the notes to the annual accounts of Royal FloraHolland.

Article 6 – Duties and powers of the Members' Council

- 6.1 The Members' Council shall have all the powers vested by law in the general meeting of a cooperative, as well as the powers vested in it by the Articles of Association.
- 6.2 The Members' Council shall have the legal authority to decide to:
- a. adopt and amend the Articles of Association;
 - b. appoint, suspend and dismiss members of the Supervisory Board;
 - c. adopt the annual accounts;
 - d. merge or divide the Cooperative, or to convert into another legal form and dissolve it, with due observance of the relevant provisions of the Articles of Association,
- (these powers taken together: the 'legal powers').
- 6.3 The approval of the meeting of members referred to in Article 28, par. 2 of the Articles of Association shall apply to decisions of the Members' Council relating to
- a. merger, division, conversion into another legal form and dissolution of the Cooperative; and
 - b. amendment of the provision referred to in a.
- 6.4 Pursuant to the provisions of Article 28, par. 3 of the Articles of Association, the Members' Council shall have the following advisory duties
- a. advising the Management Board of the Cooperative (the 'Management Board') on the strategic development of the Cooperative and policy matters extending beyond products;
 - b. fulfilling a reporting role for the Management Board concerning the developments in the market, the direction (strategic or otherwise) of the Royal FloraHolland organisation and the performance of the Royal FloraHolland organisation; and
 - c. to put forward subjects that require the attention of the Management Board and the Royal FloraHolland organisation;
- 6.5 Pursuant to the provisions of Article 28, par. 4 of the Articles of Association, the Members' Council shall have the following duties:
- a. making a recommendation to the Supervisory Board for the appointment/reappointment of a member of the Supervisory Board;
 - b. exercising the right of objection against candidates nominated by the Supervisory Board,

- c. advising the Supervisory Board on the composition and size of the Management Board and on the profile for the members of the Management Board;
 - d. setting the compensation policy for the top management of the Cooperative; and
 - e. determining the compensation for the members of the Supervisory Board.
- 6.6 The Members' Council has the task of acting as an appeal body against decisions of the Management Board in relation to rejection, suspension, termination and disqualification of membership, based on Articles 7.3, 11.4, 12.4 and 14.2 of Royal FloraHolland's Articles of Association. The Regulations For Handling Appeal Cases (Appendix D) describe the process of handling appeals.
- 6.7 The Members' Council shall be responsible for development and training policy for members, including FPC members and chairpersons.
- 6.8 The Members' Council shall be responsible for and oversee proper dialogue between the members and the Members' Council on subjects and themes related to the Cooperative and to the duties and powers of the Members' Council as referred to in the Articles of Association. However, the Members' Council shall not consult members on items falling, for example, within the remit and jurisdiction of other bodies of the Cooperative or of an FPC or RAC. The Members' Council may consult the members concerning special items and organise orientation meetings. The Members' Council shall consider the outcomes of the consultation with the members in its decision-making and recommendations, and shall render account of these periodically to the members.
- 6.9 The Members' Council shall at all times consult the members on the occasion of the annual meeting (meaning: prior to, at the time of or at the end of) and prior to the autumn meeting, both as referred to below in Article 9, par. 1. The way in which these consultations of members are organised and conducted shall be prepared by means of a programme to be prepared by the Members Engagement and Consultation Committee.
- 6.10 In consultation with the Management Board and Supervisory Board, the Members' Council shall be authorised to hold exploratory meetings with the members and other stakeholders of the Cooperative (such as suppliers, customers and companies that provide relevant services to Royal FloraHolland), and to involve and invite experts for guidance on, and as preparation for, potential new developments and initiatives with a view to optimising the quality and effectiveness of its decision-making.
- 6.11 The Members' Council shall report annually on the performance and activities of the Members' Council by means of a section in the annual report of Royal FloraHolland. This section shall also deal with the annual evaluation of the members of the Members' Council.

Article 7 – Chair of the Members' Council

- 7.1 The Members' Council shall appoint one of its members to chair. The profile referred to in Article 3 par.4 shall also include a profile of the Chair of the Members' Council. The Members' Council may ask the Nomination Committee to make a recommendation for possible candidates for the chairmanship, stating the reasons for this recommendation on the basis of the applicable profile of the chair as referred to above.

- 7.2 Each member of the Members' Council may put him/herself forward as a candidate for the chairmanship. At least four members of the Members' Council may jointly put forward another member of the Members' Council as candidate for the chairmanship, provided they have the relevant candidate's consent.
- 7.3 Nominations for the chairmanship may be made no later than four (4) weeks before the meeting of the Members' Council at which the appointment of the chair is to be placed on the agenda. The nomination shall be accompanied by a brief statement of the candidate's reasons why he/she aspires to the office of chair.
- 7.4 Decisions on the appointment of the chair shall be taken in accordance with the provisions of Article 11 par. 6.
- 7.5 The Members' Council chair shall serve for a term of three (3) years. A resigning Members' Council chair may be re-appointed as chair no more than once for a period of three (3) years. By way of derogation from the provisions of the second sentence of Article 4, par. 3, the Chair may be reappointed as a member of the Members' Council for a second period of four (4) years.
- 7.6 The provisions of Article 4, par. 6 shall apply in full to the reappointment of the chair of the Members' Council. Deliberations on reappointment shall take place without the parties involved being present.
- 7.7 The Chair of the Members' Council shall chair the informal meetings of the Members' Council and draw up the agenda for these. The Chair of the Members' Council shall submit the agenda to the Supervisory Board and the Management Board for information purposes before sending it to the members of the Members' Council.
- 7.8 The Chair of the Members' Council is the point of contact for the Management Board and the Supervisory Board. The Chair of the Members' Council shall ensure that contacts with the Management Board and the Supervisory Board are properly conducted.
- 7.9 The Chair of the Members' Council shall supervise the proper functioning of the Members' Council and its committees and/or working groups, in particular so that:
- a. the members of the Members' Council participate in the induction and training programme;
 - b. members of the Members' Council shall be provided promptly with all the information necessary for the proper performance of their duties;
 - c. there is sufficient time for deliberations and decision-making by the Members' Council;
 - d. the members of the Members' Council are periodically assessed in terms of their performance;
 - e. the members of the Members' Council shall communicate with care what has been decided by the Members' Council, in accordance with the provisions of Article 11, par. 12.

Article 8 – The Members' Council Secretary

- 8.1 In consultation with the chair of the Members' Council, the Chair of the Supervisory Board and the Chair of the Management Board, the Cooperative shall place one of its employees at the disposal of the Members' Council as Secretary of the Members' Council. The Secretary may not be removed from his/her position without the approval of the Members' Council.
- 8.2 The Secretary of the Members' Council shall ensure that the proper procedures are followed and

that action is taken in accordance with the obligations arising from the law and other relevant regulations, the Articles of Association and these regulations and such other regulations as may be applicable.

- 8.3 The Secretary of the Members' Council shall assist the Chair of the Members' Council in the actual organisation of the Members' Council (including in relation to the subjects referred to in Article 7, par. 9). The Secretary of the Members' Council shall provide assistance to the Chair of the Supervisory Board in a similar way, and to the extent necessary, with regard to formal meetings of the Members' Council, as well as the committees and working groups of the Members' Council.
- 8.4 In consultation with the chair of the Members' Council, the Chair of the Supervisory Board and the Chair of the Management Board, the secretary of the Members' Council may invest his/her duties or parts thereof with persons employed by Royal FloraHolland or outside this.

Article 9 – Meetings

- 9.1 The Members' Council shall meet according to a schedule to be drawn up annually, which shall include at all times a spring and an autumn meeting. The spring meeting shall be held within the first six (6) months of the financial year, unless said period is extended by the Members' Council. Said meeting is referred to as the 'annual meeting'. As far as possible, the schedule of meetings shall be drawn up in line with the schedule of meetings of the Management Board and the Supervisory Board. The Chair of the Members' Council, the Chair of the Management Board and the Chair of the Supervisory Board shall determine by mutual agreement each year which items are to be included on the annual agenda of the Members' Council, and for which of those items member consultation shall take place.
- 9.2 In accordance with the relevant provisions of the Articles of Association, the annual meeting shall at all times deal with the annual report and the annual accounts of Royal FloraHolland for the past financial year.
- 9.3 Aside from the two meetings mentioned in par. 1, other meetings of the Members' Council may be convened as often as deemed necessary by the Management Board, the Supervisory Board or the Chair of the Members' Council.
- 9.4 At the written request of those members of the Members' Council entitled to exercise at least one-tenth (1/10) of the number of votes cast at a meeting of the Members' Council at which decisions may be taken (a 'formal meeting'), the Management Board shall be obliged to convene a formal meeting within a period not exceeding four (4) weeks of the submission of that request. The above also apply to a meeting of the Members' Council at which no decisions may be taken (an "informal meeting"), on the understanding that, in such a case, the request shall be addressed to the chair of the Members' Council and that the chair shall then be obliged to convene the informal meeting, or have it convened, by the Management Board.
- 9.5 A formal meeting of the Members' Council, including at least the annual meeting and the second meeting referred to in the first sentence of par. 1 of this article, shall be chaired by the Chair of the Supervisory Board. Should the Chair of the Supervisory Board be absent, the Supervisory Board shall then appoint a deputy.

- 9.6 An informal meeting of the Members' Council shall be chaired by the chair of the Members' Council.
- 9.7 Meetings of the Members' Council other than those referred to in par. 1 shall be held at the request of the Members' Council or at the request of the Supervisory Board, without prejudice to the provisions of par. 3 of this Article and the provisions of Article 10. All meetings of the Members' Council shall be convened by the Management Board by means of letters of convocation, subject to a period of at least eight (8) days, not including the day on which the convocation was sent and the day of the meeting. The letters of convocation shall be sent to each member of the Members' Council at the address submitted to the Cooperative.
- The letters of convocation shall specify the place and the starting time of the meeting, whether it is a formal meeting or an informal meeting, and the items to be discussed. Without prejudice to the above provisions concerning the time limit for sending letters of convocation to members of the Members' Council, the Members' Council shall endeavour to make the documents to be considered at the meeting available to the members of the Members' Council at least two (2) weeks prior to the meeting.
- 9.8 The Management Board shall, with the approval of the Supervisory Board, set the agenda for a formal meeting of the Members' Council. The chair of the Members' Council shall draw up the agenda for an informal meeting of the Members' Council and shall submit this to the Supervisory Board and the Management Board for information purposes before the letters of convocation referred to in par. 7 are sent to the members of the Members' Council.
- 9.9 For a formal meeting and an informal meeting, agenda items may also be proposed to the Management Board by:
- a. the Nomination Committee;
 - b. the Supervisory Board; and
 - c. by members of the Members' Council jointly representing at least one tenth (1/10) of the number of votes that may be cast in a full formal meeting.
- A request to include an item on the agenda must be submitted to the Management Board at least two (2) weeks before the day on which the meeting is convened in the case of a formal meeting, and to the chair of the Members' Council in the case of an informal meeting, in both cases with a copy being sent to the Supervisory Board.
- 9.10 If, in a formal meeting, an item is raised that was not on the agenda of the meeting, the Chair of the meeting may allow resolutions to be passed on that item, although only if:
- a. this concerns an issue which, in view of its urgent nature, cannot be delayed; and
 - b. the Supervisory Board does not oppose its consideration; and
 - c. the motion of the Chair of the meeting to discuss this item is accepted by the Members' Council with an absolute majority of the votes cast; and the decision relating to this item is subsequently passed by the Members' Council with a majority of two thirds of the votes cast, insofar as the Articles of Association

do not provide for a larger majority and without prejudice to the provisions of Article 11 par. 2.

Article 10 – Requests from Members to hold an informal meeting of the Members' Council

- 10.1 If, at the proposal of a group of members numbering at least two hundred and fifty (250) and collectively entitled to cast at least one twentieth (1/20) of the votes in a Plenary Meeting of Members as referred to in Article 31 of the Articles of Association, the Members' Council is requested to consider, at an informal meeting to be convened for that purpose, items that are in the interests of the Cooperative and of the Members, provided that the items are within the mandate of the Members' Council, the Members' Council shall decide at a formal meeting whether to grant or refuse such a request. A decision to refuse the request must be substantiated.
- 10.2 The powers with regard to the items as mentioned in Article 6, paragraphs 2 to 6, fall within the mandate of the Members' Council.
- 10.3 The following shall not fall within the mandate of the Members' Council.
- i. subjects that, in accordance with the law and/or the Articles of Association, fall within the mandate of the Management Board, the Supervisory Board or another body of the Cooperative including, by way of example, subjects that relate to operational matters (Appendix D);
 - ii. the organisation and governance of the Cooperative;
 - iii. matters in which legal or arbitration proceedings are pending or may be instituted or have been opened (cases before the court and/or arbitrators or on which a decision has previously been taken by the court or arbitrators);
 - iv. matters that have already been the subject of a request during a period of three (3) years prior to the request, regardless of whether that request has been granted or refused, unless the Members' Council decides that insufficient member consultation about the items in question has taken place.
- 10.4 The request from the members shall be addressed to the Chair of the Members' Council, with a copy sent to the Management Board and the Supervisory Board.
The request shall state as precisely as possible the item which the Members wish to be considered by the Members' Council and shall contain a reasoned explanation.
- 10.5 The request shall be accompanied by a list of the Members on whose behalf the request is made (the 'Petitioners').
The request shall also specify who shall act as contact person on behalf of the Petitioners (the 'Contact Person'). All correspondence from and on behalf of the Members' Council, the Management Board and the Supervisory Board shall be addressed to the Contact Person and shall in that case be deemed to have been addressed to all the Petitioners. All correspondence from and on behalf of the Contact Person shall be addressed to the Chair of the Members' Council, and in that case deemed performed on behalf of all Petitioners.

- 10.6 The Chair of the Members' Council shall confirm receipt of the request within ten (10) days after receipt by means of a written or electronic confirmation to that effect, addressed to the Contact Person, with copy to the Management Board and the Supervisory Board.
- 10.7 The Chair of the Members' Council shall then consult with the chair of the Management Board (the "CEO") and the chair of the Supervisory Board regarding the request. In such consultations, the following shall be established:
- i. whether the request falls within one or more of the eligibility criteria referred to in par. 2 of this Article for consideration by the Members' Council, or whether the request falls within one or more of the ineligibility criteria referred to in par. 3 of this Article;
 - ii. if the request is eligible for consideration, what consequences can be expected from this for the Cooperative.
- 10.8 The Chair of the Members' Council, the CEO and the Chair of the Supervisory Board shall each conduct the necessary consultations with the other members of their respective bodies if they consider these useful or necessary.
- 10.9 The Chair of the Members' Council shall invite the Contact Person in writing to explain the request in person on behalf of the Petitioners (the "Consultation Meeting"). The Consultation Meeting may also be attended by a maximum of 10 other Petitioners. The secretary of the Members' Council shall attend this meeting. If he/she is unable to attend, the Chair of the Members' Council shall appoint another member of the Members' Council to act as secretary of the Consultation Meeting. The CEO and the Chair of the Supervisory Board shall be authorised but not obliged to attend the Consultation Meeting. They shall each have the power to appoint a different member of the Management Board or a different supervisory director to attend the meeting in their place.
- 10.10 The Chair of the Members' Council may, in consultation with the CEO and the Chair of the Supervisory Board, also admit other persons to the Consultation Meeting, whether or not at the request of the Petitioners.
- 10.11 The Consultation Meeting shall take place at one of the offices of the Cooperative, to be determined by the chair of the Members' Council. The Consultation Meeting shall take place no later than four (4) weeks after receipt of the members' request.
- 10.12 The Secretary of the Members' Council shall keep the minutes of the Consultation Meeting. The minutes shall be forwarded to each of those present as soon as possible, but no later than two (2) weeks after the Consultation meeting. The minutes shall be signed by the Chair and secretary of the Members' Council.
- 10.13 The Chair of the Members' Council, the CEO and the Chair of the Supervisory Board shall advise the Members' Council on the request (the "Recommendation"). They shall preferably decide unanimously on the content of the Recommendation. However, if they take their decision by

majority, they shall attach to the Recommendation the reasons why each of them has reached his or her opinion.

- 10.14 Once the minutes are sent out to those who have attended the Consultation Meeting, the Chair of the Members' council shall inform the Contact Person of the Recommendation, together with a brief explanation of the considerations leading to the recommendation to the Members' Council to consider or accede to the request.
- 10.15 The chair of the Members' Council shall at the same time request the Management Board to convene a formal meeting of the Members' Council as referred to in Article 29, par. 4 under b of the Articles of Association in order to decide on the request in such a manner that this meeting can be held no later than four (4) weeks after the deadline on which the minutes and the Recommendation must be sent to those present at the Consultation Meeting.
- 10.16 If the Members' Council in its formal meeting decides to grant the request, the informal meeting shall be convened immediately so that it can be held no later than four (4) weeks after the formal meeting of the Members' Council referred to in par. 15.
- 10.17 On the occasion of the annual meeting of members referred to in Article 31, par. 1, of the Articles of Association, the Members' Council shall report to the members on the number of requests received in the previous financial year and the manner in which these requests were decided.
- 10.18 The decision of the Members' Council on a request as referred to in this Article 10 shall not be subject to appeal.

Article 11 – Decision-making

- 11.1 The Members' Council may only take legally valid decisions at a meeting if the majority of its members are present or represented, provided that any member having a conflicting interest as referred to in par. 4 of this Article shall not be counted for the purposes of calculating such quorum. The Members' Council shall take its decisions by an absolute majority of the votes cast, unless an enhanced majority is required by law or the Articles of Association and without prejudice to the provisions of par. 2 of this Article. A member of the Members' Council may not be represented at a meeting by another member of the Members' Council. In the event of a tied vote, the chair shall decide.
- 11.2 If the number of serving members of the Members' Council has fallen below thirty (30), the Members' Council shall not take any decisions other than those relating to the legal powers referred to in Article 6, par. 2, until at least thirty-five (35) members of the Members' Council are serving. If a vacancy has arisen due to a Members' Council member voluntarily resigning in a period of three (3) months prior to the day of the meeting of the Members' Council at which a decision concerning a non-legal power of the Members' Council has been placed on the agenda, the vacancy shall be disregarded for the purposes of the above.

- 11.3 Each member of the Members' Council has one (1) vote. In exercising their right to vote, members shall vote without instruction or consultation and shall take into account the interests of all members. The members of the Members' Council shall therefore not represent individual or partial interests of members or groups of members.
- 11.4 A member of the Members' Council shall not take part in the deliberations of the Members' council or in its decision-making if he/she has a direct or indirect interest that conflicts with the interest of the Cooperative. The member concerned shall inform the Chair of the Members' Council prior to the meeting of the Members' Council.
- 11.5 Voting on matters at a meeting of the Members' Council shall take place verbally, unless the Chair of the meeting decides that a vote shall be taken in writing. Votes on persons are held with closed ballots in a meeting of the Members' Council. Vote by acclamation in a meeting of the Members' Council shall be possible on matters as well as people provided none of the authorised voters in attendance objects.
- 11.6 Where, in a vote on persons, no one obtains an absolute majority of the votes validly cast, a further vote shall if necessary be taken after an intermediate vote has been taken between persons obtaining an equal numbers of votes, between the two persons who have obtained the highest two numbers of votes. If the votes are tied among two or more persons in the interim vote, lots shall be drawn to determine which of the two persons shall be eligible for the repeat vote. In the event of a tied vote in the repeat vote, lots shall be drawn to determine who is elected.
- 11.7 If no absolute majority is achieved in a vote on matters, the proposal shall be deemed to be rejected.
- 11.8 Blank ballots and invalid votes do not count as votes cast.
- 11.9 If the Cooperative provides for voting by automated means such as electronic voting keypads, the right to vote shall be exercised in that manner at the meeting.
- 11.10 At the end of a vote, the secretary shall announce the result of the vote on the item on the agenda concerned to the meeting, indicating how many members have voted in favour of the proposal, how many against and how many abstained. The secretary shall ensure that, on behalf of the Members' Council, the results of the votes and a report of the proceedings are made known to the members after the meeting through the Cooperative's online platform. Only the results shall be published this way with the percentage of votes in favour, votes against and abstentions, but without any indication of how each member of the Members' Council has voted.
- 11.11 The minutes of the meetings shall be adopted at the next meeting of the Members' Council and shall be signed, in evidence whereof, by the Chair and Secretary of that next meeting. The minutes shall at all times contain the decisions taken by the meeting. The secretary shall send (i) prior to the next meeting of the Members' Council, a draft of the minutes for comment to the Management Board and the Supervisory Board and

(ii) after the minutes have been adopted by the Members' Council, a copy of the minutes thus adopted. A member of the Members' Council, the Management Board or the Supervisory Board shall not circulate the minutes outside his own circle without the express prior approval of the Members' Council.

- 11.12 Even if a member of the Members' Council has voted against or abstained from a proposal and the proposal in question has been adopted by the Members' Council, that member shall respect and promote the decision thus taken, provided that he may explain his own position.

Article 12 – Committees of the Members' Council

- 12.1 The Members' Council has a number of committees:
- a. the Finance Committee for all financial-related topics;
 - b. the Strategy Committee on strategic and policy issues;
 - c. the Members Engagement Committee for the active and timely consultation of members, whatever the topic;
 - d. the Cooperative Committee for the recruitment, selection, appointment, suspension, dismissal and assessment of members of the Members' Council and their remuneration, the assessment of the organisation and working methods of the Members' Council, as well as all powers granted by law or the Articles of Association to the Members' Council in respect of the above matters insofar as they relate to the members of the Management Board and the members of the Supervisory Board; and
 - e. such other committees as the Members' Council may from time to time decide.
- 12.2 The committees shall prepare the decision-making in the Members' Council and, if requested, advise the Members' Council on issues within the limits of the duties assigned to them. The committees shall therefore have no decision-making power delegated by the Members' Council.
- 12.3 The Members' Council shall assign a duty to each committee and may from time to time amend, including limiting or extending, this duty. The Members' Council may, on its own initiative or on the proposal of a committee, set up a committee, new or otherwise, with the composition, duties and powers determined by the Members' Council.
- 12.4 Committee members shall be appointed by the Members' Council. Each committee of the Members' Council shall consist of a number of members from the Members' Council determined by the Members' Council itself, but not fewer than five (5) persons. A committee may invite experts and others to advise it and/or attend its meetings, without these persons, however, being deemed to be members of the committee.
- 12.5 The meetings and other sessions of the committees shall be organised, prepared and convened in consultation with the secretary of the Members' Council. The meetings and sessions of the committees shall be held at least three (3) times a year or as many times as the Members' Council decides. Further meetings and sessions may be held at the request of at least three (3) members of the committee.

- 12.6 The meetings and sessions of the committees shall be facilitated and assisted by the support team made available by the Management Board in consultation with the chair and secretary of the Members' Council. The committees shall have the possibility to appoint a Chair/point of contact/spokesperson of the committee from their own circle.
- 12.7 The Members' Council Secretary shall ensure that a report of each meeting and session of a committee is drawn up and, after its adoption, that it is forwarded to the Members' Council for information purposes.

Article 13 – Introduction programme Training programme

- 13.1 After being appointed, each member of the Members' Council shall take part in an induction and training programme drawn by the Cooperative in consultation with the Members' Council and financed by the Cooperative, focusing on:
- a. general financial, social and legal matters;
 - b. the financial reporting by the Cooperative;
 - c. specific aspects that are typical of the Cooperative and its company, its activities and the markets in which it operates;
 - d. the responsibilities of the members of the Members' Council;
 - e. skills to be able to think and act independently and in accordance with policy;
 - f. leading and guiding groups;
 - g. gaining and maintaining the trust of the members and others involved in the Cooperative.
- 13.2. Each year, the Cooperative Committee shall assess the areas in which members of the Members' Council require further training or coaching during their term of office, and shall evaluate the performance of the members of the Members' Council with due observance of the provisions of Article 14.
- 13.3 Members' Council members should have sufficient time available and actually allocate this time in order to carry out their duties properly.
- 13.4 Members' Council members shall attend all meetings of the Members' Council, except in exceptional circumstances such as illness, family circumstances and extraordinary circumstances in their company. If they are unable to attend a meeting, they shall notify the Chair of the Members' Council by telephone of their absence or, if he/she is inaccessible or unavailable, the Secretary of the Members' Council.
- 13.5 Members' Council members shall, at the request of the Members' Council or the Chair of the Members' Council, attend the consultation sessions and orientation sessions with the members and other stakeholders in such a way as to ensure a reasonable distribution of the time involved among the members of the Members' Council.
- 13.6 The members of the Members' Council shall prepare for all meetings and other sessions at which their presence is requested or compulsory.

Article 14 – Annual review of the Members' Council and of its Members

- 14.1 Every year, in December at the latest, the Members' Council shall review its own performance. The Cooperative Committee shall prepare this review.
- 14.2 The Cooperative Committee shall at the least focus on:
- a. assessing the performance of the Members' Council as a whole and of its committees;
 - b. the composition and size of the Members' Council;
 - c. the profile for the composition of the Members' Council;
 - d. the selection criteria for members of the Members' Council and the appointment procedure;
 - e. the relationship of the Members' Council with the Management Board and the Supervisory Board;
 - f. the quality of the consultation of members and other stakeholders by the Members' Council;
 - g. the quality and effectiveness of decision-making by the Members' Council;
 - h. the performance of the members of the Members' Council, their attendance at meetings of the Members' Council and consultations with members, their knowledge and skills;
 - i. the performance of the chair of the Members' Council;
 - j. if a member of the Members' Council is performing inadequately, including the chair, making a proposal to the Members' Council for the consequences to be attached thereto.
- 14.3 Each year the Cooperative Committee shall draw up the report referred to in Article 6, par. 8, on the performance and activities of the Members' Council.

Article 15 – Relationship with the Supervisory Board

- 15.1 The members of the Management Board and at least two members of the Supervisory Board, to be designated by it on a case by case basis, are obliged to attend the formal meetings of the Members' Council. At the request of the chair of the Members' Council, the members of the Management Board and at least two of its members of the Supervisory Board, to be designated by it for that purpose, shall be obliged to attend the informal meetings of the Members' Council.
- 15.2 If the Chair of the Members' Council so requests, the Management Board shall ensure the presence of one or more members of the management team at the meeting of the Members' Council.
- 15.3 The Chair of the Supervisory Board shall inform the chair of the Members' Council in a timely manner of the appointment/repointment of members of the Management Board.

Article 16 – Relationship with the FPCs and the RACs

- 16.1 At the initiative of the Members' Council, at least one meeting shall be held each year between a number of its members and the chairs of the FPCs and RACs, to be designated by the Members' Council. The agenda for that meeting shall be set by the chair of the Members' Council. The secretary of the Members' Council shall send out the agenda and other documents for the meeting to those invited to the meeting no later than the eighth day before the day of the meeting.
- 16.2 Without prejudice to the provisions of Article 11, pars. 11 and 12, the Members' Council Secretary



shall forward a summary of the decisions taken and recommendations made by the Members' Council, together with a brief explanation of their content, for information purposes to the respective chairs of the FPCs and the the RACs, unless in light of the content and/or confidentiality of a recommendation made, the interests of Royal FloraHolland are contrary to this.

Article 17 – Confidentiality

All Members' Council members are obliged to observe the necessary discretion with regard to all information and documentation obtained in the context of their membership, and to observe confidentiality regarding confidential information. Members and former members of the Members' Council shall not divulge confidential information outside the Members' Council, or make it public or otherwise make it available to third parties, unless Royal FloraHolland has made this information public or it has been established that this information is already publicly known.

Article 18 – Information

- 18.1 The Members' Council and its members shall have their own responsibility to request from the Management Board and the Supervisory Board all information that the Members' Council needs in order to be able to perform its duties as a Members' Council properly.
- 18.2 The Management Board and the Supervisory Board shall each provide the Members' Council in a timely manner (and if possible in writing) with all information that it knows or ought to know is necessary to enable the Members' Council to perform its duties properly.
- 18.3 If a member of the Members' Council becomes aware of information –from a source other than the Members' Council, the Management Board or the Supervisory Board – which is useful to the Members' Council for the proper performance of its duties, he/she shall make that information available to the chair of the Members' Council as soon as possible. The Chair shall then inform the entire Members' Council.

Appendix A: Profile of the Members'

Council

Appendix B: Resignationschedule

Appendix C: Remuneration Overview

Appendix D: Regulations for the handling of appeal cases