



# **Profile for the Members' Council**

Coöperative Royal FloraHolland U.A.

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# 1 Cooperative Royal FloraHolland U.A

Cooperative Royal FloraHolland U.A. ("RFH") is a cooperative with the mission to make the world a healthier and more beautiful place with flowers and plants in collaboration with its growers and their customers. It is the international marketplace and knowledge partner in the horticultural sector, and RFH contributes in this way to the success of its growers and their customers. RFH is a large cooperative in the legal sense and therefore has a two-tier board system. RFH also complies with the NCR Code for cooperative companies and strives to uphold a professional and transparent governance of its company and its supervision in accordance with its articles of association and the regulations and rules based on its articles of association. Good corporate governance is in the interest of the company, the members of RFH and all its other stakeholders. Each entity keeps to the limits of its mandate. In that respect, RFH attaches great importance to the quality, transparency and effectiveness of its decision-making, and especially to the involvement of its members in those decisions. After careful and extensive study, the members decided in 2018 to switch to a general members' meeting consisting of representatives, the Members' Council.

## 2 The Members' Council of RFH and its mandate

The Members' Council is the general meeting of RFH in the legal sense and has all of the mandatory authority and tasks assigned by law to a general meeting. The Members' Council also has all of the authority and tasks voluntarily assigned to it by the articles of association of RFH.

### Legal tasks

- Adopting and amending the articles of association of RFH;
- appointing, suspending and dismissing supervisory directors;
- approving the annual accounts;
- deciding on the merger, scission, conversion and dissolution of RFH.

### Statutory tasks

- Recommending people to the Supervisory Board for inclusion in the nomination for appointment as supervisory director and if necessary objecting to the proposed candidates;
- Determining the compensation policy for the top management of RFH;
- Determining the compensation of supervisory directors;
- Advising the Management Board on the strategic development of RFH and policy matters extending beyond product;
- fulfilling a reporting function to the Management Board concerning the developments in the market, the strategic direction and the performance of the Royal FloraHolland organisation;
- putting forward subjects that require the attention of the Management Board.

The Members' Council is responsible for maintaining a sound dialogue between the members and the Members' Council about topics and themes related to RFH and to its legal and statutory tasks and powers. The Members' Council manages this dialogue. The Members' Council consults periodically with the members about topics that fall under its mandate. The Members' Council does not consult the members about topics that fall under the mandate of the Management Board and/or the Supervisory Board or other entities of RFH.

### **Approval by members**

The following decisions of the Members' Council must be approved by the members of the cooperative:

- decisions on the merger, scission, conversion and dissolution of RFH.

### 3 Size of the Members' Council

The Members' Council consists of no fewer than 35 and no more than 45 members. If the number of members falls below 30, the Members' Council is restricted to exercising its legal tasks until its membership increases to above the limit.

## 4 Appointing members of the Members' Council

The members of the Members' Council are appointed in a members' meeting by the members of RFH on the nomination of the nomination committee.

The members of the Members' Council are appointed for a first term of 4 years. A retiring member of the Members' Council is eligible for reappointment once, again for a period of 4 years. After a retired member has not been on the Members' Council for a complete term of 4 years, he becomes eligible for 2 new terms. Each nomination for reappointment is accompanied by a brief assessment of the functioning of the candidate as a member of the Members' Council.

The chair of the Members' Council is appointed by the Members' Council itself for a first term of 3 years and can be reappointed for 1 more term of 3 years as chair. The chair may serve on the Members' Council for an additional term of 4 years.

The Members' Council prepares a retirement rota.

## 5 Criteria applying to the members of the Members' Council. General

A member of the Members' Council must be a member of RFH. This includes natural persons who are members and natural persons who are directly or indirectly directors of a legal entity that is a member and natural persons who are partners in a combination of persons that is a member. A member of the Members' Council cannot also be a member of a FPC, RAC or the Supervisory Board of RFH nor an employee of RFH. A member of the Youth Council can also be a member of the Members' Council.

# 6 Profile.

The articles of association of RFH specify that the Members' Council will prepare a profile defining its size and composition that reflects the membership, with the aim being a high-quality and mixed composition so the Members' Council can fulfil its tasks properly.

## 6.1 Criteria for individual members of the Members' Council

Individual members of the Members' Council as a whole meet the following criteria. Individual members of the Members' Council should preferably meet as many criteria as possible or have the potential to meet them in the near future:

- insight into the interests of the members of RFH and the developments at their companies, both national and international;
- insight into the interests of RFH, its business and other stakeholders;
- insight into the markets in which RFH and its members are active;
- knowledge and insight into national and international societal and political developments and relationships;
- capable of winning the members' trust;
- managerial skills or willingness to acquire them;
- thinking and acting in line with policy;
- feeling for relationships in cooperative enterprises;
- interest in financial reports and analyses;
- good verbal expression skills;
- mastery of the English language or willingness to acquire it;
- social skills;
- independent attitude in the interest of the whole;
- acting without instructions or consultation;
- prepared and capable of finding support for decisions and standpoints taken by the Members' Council and propagating them in and outside the consultations with members;
- no conflict of interest between the position as Members' Council member and other activities and managerial functions as, for example, customer of the cooperative;
- capable of self-reflection;
- capable of following the training and supervision programmes of RFH;
- prepared to participate in periodic evaluations of their own performance;
- have enough time to fulfil the position properly.

## 6.2 Criteria for chair of the Members' Council

In addition to the criteria applicable to individual members of the Members' Council as specified under point 7 of the profile, the following criteria apply to the chair of the Members' Council:

- Feeling for human relationships;
- Dominant personality, resilient and with managerial capabilities;
- Experience with chairing meetings;
- Capable of being the contact person for the Management Board and the Supervisory Board;
- Has managerial experience;
- Interest in procedures and etiquette within RFH;
- Acts as moral compass for the Members' Council;
- Safeguards the correct application of the articles of association and regulations that apply to the Members' Council;
- Capable of evaluating the performance of the Members' Council and its members and examining them critically.



### 6.3 Criteria for the Members' Council as a whole

As a starting point, the Members' Council as a whole must have the right characteristics. For the Members' Council as a whole, this means striving for a composition of the Members' Council that is a representative reflection of the entire membership so members will recognise themselves in it. The following aspects will be considered:

(i) **Product**

[representing the top 5 flowers measured by turnover]  
[representing the top 5 plants measured by turnover]  
[representing tree nurseries]

(ii) **Region**

[representing member companies with their main office in the Netherlands]  
[representing member companies with their main office in Europe (including Israel), but outside the Netherlands]  
[representing member companies with their main office outside Europe]  
[representing regions based on the distribution of members in those regions]

(iii) **Size**

[representing categories of turnover of member companies, based on the distribution of member companies over the categories of turnover]

Categories of turnover:

- Up to and including € 500,000;
- from € 500,000 up to and including € 1,000,000;
- from € 1,000,000 up to and including € 5,000,000;
- from € 5,000,000;

(iv) **Use of auction.**

[representing use of auction, based on the distribution of member companies according to sales channel]

**Sales channels:**

- [Members who sell more than 75% of their turnover at the clock.]
- [Members who sell more than 75% of their turnover via the direct channels.]
- [Members who sell less than 75% of their turnover at the clock or direct channels]

(v) **Diversity in age and gender.**

A recognisable percentage of women and a recognisable percentage of young people compared to the entire membership. Young people will be encouraged to join the Members' Council.

### 6.4 Annual evaluation and updating as necessary

This profile will be evaluated annually by the Members' Council, preferably in the autumn. According to the outcome of the evaluation, a decision will be taken about whether adjustments are required and what needs to be done if so.