



**REGULATIONS OF THE ROYAL
FLORAHOLLAND**

**REGIONAL ADVISORY COMMITTEES
(RAC'S)**

COÖPERATIE ROYAL FLORAHOLLAND U.A.

Adopted on 28 November 2018

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REGULATIONS OF THE ROYAL FLORAHOLLAND REGIONAL ADVISORY COMMITTEES (RACs)

Aim

The aim of the RACs is good communication with, and the involvement of, the members of the Royal FloraHolland cooperative by means of focused influence from members on the development of Royal FloraHolland and conversely by appropriately supplying the members with information. The task of the RACs is to advise Royal FloraHolland on policy matters regarding the region in question.

The members of the RAC also have a reporting function regarding trends in their region, Royal FloraHolland's services and potential improvements thereto. The ultimate aim is to reinforce Royal FloraHolland's international position.

Introduction

Article 1 – General, status and contents of the regulations

- 1.1 These Regulations (the "Regulations") were drawn up by the Supervisory Board of the Coöperatie Royal FloraHolland U.A. ('Royal FloraHolland') in accordance with the provisions of Article 27.4 of the Articles of Association of Royal FloraHolland (the 'Articles of Association') and serve as a supplement to the rules and regulations that are applicable to the Royal FloraHolland Product Committees ('RACs') in accordance with Dutch law and/or the Articles of Association.
- 1.2 These Regulations were adopted by the Supervisory Board on 28 November 2018 and replace the regulations that were adopted on 28 May 2014.
- 1.3 Wherever these Regulations are in conflict with Dutch law or the Articles of Association, the law or the Articles of Association will prevail. Wherever these Regulations are compatible with the Articles of Association, but in conflict with Dutch law, the latter will prevail. If one of the definitions from these Regulations is not or no longer valid, this will not affect the validity of the other definitions. The Supervisory Board will replace the invalid definitions with valid definitions of which the effect, given the content and purpose, is equivalent to those of the invalid definitions as much as possible.
- 1.4 In the case of these Regulations, the following appendices are included:
Appendix A: RAC member profile
Appendix B: RAC chairman profile

Article 2 - Incidental non-compliance, amendment

- 2.1 Without prejudice to the definition in Article 1.3, the Supervisory Board may decide at its sole discretion not to adhere to these regulations when making a decision.
- 2.2 Without prejudice to the definition in Article 1.3, the Supervisory Board can amend these regulations when making a decision.

Composition and appointment

Article 3 - Composition of the RACs

- 3.1 RACs exist within Royal FloraHolland in accordance with article 26 of the Articles of Association.
- 3.2 Each of the RACs comprises 5 to 9 natural persons. Only Royal FloraHolland members may be members of an RAC. A non-member may be part of an RAC only by way of exception. The aim is for the owner of the company to be part of the RAC.
- 3.3 To be appointed to the RACs, candidates need to fit a profile drawn up by the Supervisory Council (appendix A). When composing the RACs, consideration should also be given to

having a sufficient cross section of Royal FloraHolland members with regard to sales type (auction

clock, direct sales), nature and size of the company, and region of origin. This is assessed by the meeting on cooperative affairs.

Article 4 - (Re)appointment, term of office and resignation

- 4.1 RAC members are appointed by the Management Board for a period of no more than three years and are subsequently eligible for reappointment. A member resigning due to the expiry of his term of office can be reappointed a maximum of two times forthwith.
- 4.2 A recommendation for the appointment or reappointment of an RAC member is always carefully considered and will not be an automatic procedure. In the event of reappointment, consideration is given to the way in which candidate has fulfilled his duty as an RAC member. Deliberations on reappointment take place without the party involved being present.
- 4.3 The RACs shall draw up a retirement schedule in order to prevent, insofar as possible, reappointments taking place simultaneously. Without prejudice to article 4.4, members of the RACs will resign in accordance with the schedule of resignation.
- 4.4 RAC members are expected to resign in the event of failing to perform their duties properly, structural incompatibility of interests or when this is otherwise required in the opinion of the RAC.
- 4.5 RAC members who accept a position in the Supervisory Board or the Members' Council will immediately retire and resign from their position in the RAC.

Article 5 - Remuneration

- 5.1 The Supervisory Board grants the RAC members remuneration and arranges this. The remuneration of the RAC members is not dependent on the results of the cooperation.
- 5.2 All reasonable costs (such as travel expenses) incurred in connection with the attendance of meetings of the RACs will be reimbursed to the RAC members. All other costs will only qualify for remuneration, wholly or in part, if arranged in prior consultation with the chairman of the RAC and with the approval of the meeting on cooperative affairs. The chairman of the RAC will inform the RAC of this on an annual basis.
- 5.3 The amount of the remuneration, reimbursement of expenses and other agreed conditions, including the date on which the remunerations concerned will be paid, will be made public via the Community. The amount involved annually in the operation of the RACs will be specified in the explanatory notes to the annual accounts of Royal FloraHolland.

Allocation of duties and working procedure

Article 6 - Tasks of the RACs

- 6.1 The RACs are responsible for:
 - a. advising the Management Board on policy matters regarding the region;
 - b. fulfilling a reporting function vis-à-vis the Management Board regarding trends in the region, and the services of the cooperative company in the region;
 - c. making a contribution to the communication between the (foreign) members and the cooperative for the purpose of reinforcing the involvement of members in the cooperative.

Article 7 - Chairman of the RAC and representative in the Advisory Council

- 7.1 The RAC shall appoint a chairman from among its members. The chairman of the RAC should be a member of Royal FloraHolland. A profile of the position of chairman is included in appendix B of these Regulations.
- 7.2 The chairman determines the agenda and leads the meetings of the RAC. The chairman

oversees the proper functioning of the RAC and, where applicable, its committees or working groups, together with the desired participation by RAC members in the induction and education or training programs.

- 7.3 If an ancillary position of the chairman means there is or could be a conflict of interests or the appearance of a conflict of interests, his role will be assumed, where appropriate, by another RAC member.
- 7.4 The chairman of the RAC is appointed for a period of no more than three years and is subsequently eligible for reappointment. Including the terms of his chairmanship, the chairman may be re-appointed three times.
- 7.5 A recommendation for the reappointment of the chairman member is always carefully considered and will not be an automatic procedure. In the event of reappointment, consideration is given to the way in which the candidate has fulfilled his chairman's duty. Deliberations on reappointment take place without the parties involved being present.

Article 8 - Sponsor of the RAC

- 8.1 The RAC is supported by a Royal FloraHolland manager. This position/role is also called sponsor.
- 8.2 The sponsor ensures that the correct procedures are followed, and that action is taken in accordance with these regulations, legal requirements and the provisions of the Articles of Association. He supports the chairman of the RAC in the effective organization of the RAC (information, placing on the agenda, evaluation, training program etc.) and offers solicited and unsolicited feedback on the way in which the chairman guides the processes. If asked, he shall provide support to any of the RAC's committees or working groups.

Article 9 - Meetings of the RAC

- 9.1 The RAC will in principle meet three to four times per year, in accordance with a schedule drawn up annually. Apart from this, the RAC will convene as often as the chairman and two or more RAC members deem necessary. The meeting will, as a general rule, be held at the local offices of Royal FloraHolland, but may also take place elsewhere in the region.
- 9.2 The matters to be dealt with will be prepared by Royal FloraHolland. The RAC can decide that the preparation of certain matters must take place in consultation with a committee or working group of the RAC.
- 9.3 Meetings of the RAC are presided over by the chairman. In the absence of the chairman at a meeting, those assembled will designate one of the members present to assume the role of chairman.
- 9.4 Notice to convene a meeting (the agenda and the corresponding documents) will take place in writing or electronically via the sponsor and at least seven days in advance. In urgent cases, this period of time can be waived.
- 9.5 The chairman determines the order of the meeting and brings the received documents up for discussion. Additionally, the BOAT (Beeldvorming, Oordeelsvorming, Adviesvorming, Toetsing) principle will be applied as much as possible. This translates to 'impressions', 'opinions', 'advice' and 'testing'.
- 9.6 In the event of frequent absence, the RAC member concerned is called to account for this by the chairman and clarification requested.
- 9.7 The sponsor will draw up the minutes of the meeting or arrange for them to be drawn up. As a general rule, these will be established during the next meeting; if, however, all members of the RAC agree to the content of the minutes, these can also be established earlier. The minutes are signed by the chairman as evidence of their establishment and are sent as soon as possible to the RAC members.

Article 10 - Decision-making

- 10.1 The RAC can only give legally valid advice during the meeting if the majority of the members are present or represented – on the understanding that members with a conflicting interest do not count towards the calculation of this quorum – and if there is an overall majority of votes. An RAC member may only be represented at a meeting by another RAC member. An RAC member can only represent one other RAC member. In the event of a tie of votes, the chairman decides.
- 10.2 The RAC have an advisory role with respect to the Management Board. Moreover, the ‘apply or explain’ principle applies: if the Management Board decides not to adopt a recommendation, it is required to explain the considerations leading to that decision to the RAC.

Article 11 - Induction program and ongoing training and education

- 11.1 After being appointed, each member of the RAC takes part in an induction program drawn up and financed by Royal FloraHolland, during which attention is devoted to:
- the role and responsibility of RAC members;
 - the decision-making processes within Royal FloraHolland;
 - specific aspects that are typical of Royal FloraHolland and its enterprise activities;
- 11.2 The RAC assesses the areas in which members of the RAC require further training or education during their term of appointment on an annual basis.

Article 12 - Confidentiality

Each member of the RAC is required to observe the necessary discretion with regard to all information and documentation received in connection with his membership and, as regards confidential information, to maintain confidentiality. Members, and former members, of the RAC will not disclose confidential information outside of the RAC or make it available to the public, or make it available in any other way to third parties, unless Royal FloraHolland has made this information public, or it has been established that this information is already in the public domain.

Article 13 – Information

- 13.1 It is the RAC's, and its individual members', own responsibility to demand all information from the Management Board that the RAC needs in order to be able to carry out its duty as an advisory body.
- 13.2 The Management Board will provide the RAC with information about the facts and developments relating to Royal FloraHolland in a timely fashion (electronically and where possible in writing), which the RAC requires to properly carry out its duty.
- 13.3 If a member of the RAC gains access to information (from another source than the Management Board or the RAC), which is useful to the RAC in order to properly carry out its duties, he will make this information available to the chairman of the RAC as soon as possible. The chairman will subsequently inform the entire RAC.

Relationship and duties with regard to bodies of Royal FloraHolland

Article 14 - Contact with the Board of Directors

- 14.1 The Management Board should consult and/or involve the RACs as described in clause 6.1 of these Regulations.
- 14.2 With respect to the RACs, the Management Board is required to act in accordance with the ‘apply or explain’ principle; if the Management Board decides not to adopt a recommendation, it is required to explain the considerations leading to that decision to the RAC.

Appendix A - RAC member profile

General

- Members of the RAC are members of the cooperative. An exception may be made to this rule and a non-member may be nominated for appointment.
- A good reflection of the way in which flowers and plants are grown, assortment, auction clock/direct sales, company size, regional dispersal, age and specific knowledge.
- If applicable, the goal is for a representative of a growers' association to be a member of the RAC.
- The position is voluntary but not without obligations.

Required Skills and Experience

- Policy-related professional and intellectual ability
- Skilled communicator
- Revered and trusted by members
- Integrity
- Market and commercially-oriented
- Experience with administration
- Has a solid network within the region

Appendix B - RAC chairman profile

Person:

- The chairman plays a binding linking role, both within the RAC and between the RAC and the Management Board. The chairman determines and monitors the atmosphere and etiquette within the RAC and between the RAC and the Management Board;
- The chairman is a people person with good communication skills. He is capable of fulfilling his role with conviction. Several times a year, the chairman meets with the sponsor and discusses in particular the quality of the meeting and advisory process within the RAC.

Position requirements:

- Higher education or equivalent ability;
- Good command of the English language; The ability to adopt an independent and critical attitude with respect to the other members of the RAC and with respect to the Management Board;
- Alertness to the interests of the enterprise and the various stakeholders;
- The ability to make constructive contributions to the discussion in the RAC;
- Awareness of (international) social developments.

Origin:

- A personal member of Royal FloraHolland (therefore not a manager).