

**REGULATIONS**

**ROYAL FLORAHOLLAND PRODUCT COMMITTEES (FPCs)**

**ROYAL FLORAHOLLAND COOPERATIVE U.A.**

Adopted on 25 November 2020

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## **REGULATIONS OF THE ROYAL FLORAHOLLAND PRODUCT COMMITTEES (FPCs)**

### **Aim**

The aim of the FPCs is good communication with, and the involvement of, the members of the Royal FloraHolland cooperative through focused influence from members on the development of Royal FloraHolland and, conversely, through adequate provision of information to the members. The task of the FPC is to advise Royal FloraHolland on policy implementation regarding products or the product group.

Various developments regarding the products and the market can also be discussed in the FPCs for review. FPC members also have a signalling function regarding product developments, Royal FloraHolland's service provision and potential improvements thereto.

### **Introduction**

#### **Article 1 – General, status and content of the regulations**

- 1.1 These Regulations (the 'Regulations') have been drawn up by the Supervisory Board (the 'SB') of Coöperatie Royal FloraHolland U.A. ('Royal FloraHolland') in accordance with the provisions of Article 26.4 of the Articles of Association of Royal FloraHolland (the 'Articles of Association') and serve as a supplement to the rules and regulations applicable to the Royal FloraHolland Product Committees ('FPCs') in accordance with Dutch law and/or the Articles of Association.
- 1.2 These Regulations were adopted by the SB on 25 November 2020 and replace any previous versions.
- 1.3 Wherever these Regulations are in conflict with Dutch law or the Articles of Association, the law or the Article 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 If one of the provisions in these Regulations is not or no longer valid, this will not affect the validity of the other provisions. The SB will replace the invalid provisions with valid provisions of which the effect, given the content and purpose thereof, is equivalent to those of the invalid provisions as much as possible.
- 1.4 In the case of these Regulations, the following appendices are included:  
Appendix A: FPC member profile  
Appendix B: FPC chair profile  
Appendix C: FPC sponsor profile

#### **Article 2 – Incidental non-compliance, amendment**

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

### **Composition and appointment**

#### **Article 3 – Composition of the FPCs**

- 3.1 FPCs exist within Royal FloraHolland in accordance with article 25 of the Articles of Association.
- 3.2 Each of the FPCs comprises 5 to 9 natural persons. Both Royal FloraHolland member-suppliers and suppliers may be members of an FPC. The aim is for the owner of the company to be a member of the FPC. To be appointed to the FPCs, candidates need to fit a profile drawn up by the SB (Appendix A). When composing the FPCs, consideration should also be given to having a sufficient reflection of Royal FloraHolland members with regard to sales type

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

#### **Article 4 – (Re)appointment, term of office and resignation**

- 4.1 If there is an appointment of a new FPC member, the following process shall apply:
  - The chair and sponsor / product manager will draw up a clear profile that candidates must fit. Various criteria such as region, assortment and company size will be taken into account in this respect.
  - The vacancy for the FPC in question will be placed in the newsletter. The current FPC reflection will also be included.
  - Candidates can register within 14 days by sending an e-mail to the FPC Support. The FPC can approach members itself if no one registers.
  - The FPC shall assess the registered candidates for vacancy based on suitability for the vacancy and the profile.
  - The FPC shall determine its list of candidates and present them to the manager of Cooperative Services for approval.
  - In the event that there are more candidates than there are vacancies, the FPC may choose to nominate more candidates for appointment, in which case a new process would not take place in a subsequent year.
  - Following the approval of the manager of Cooperative Services, the candidates are appointed as members of the FPC.
  - Candidates are personally informed of this by the chair. The product group members will be informed via the newsletter.
- 4.2 If there is a reappointment of an FPC member, the following process shall apply:
  - An FPC member will be appointed for three years and is eligible for reappointment twice.
  - The FPC shall decide on the reappointment.
  - The manager of Cooperative Services shall be informed.
  - The product group members will be informed via the newsletter.
  - If an FPC member who is eligible for re-election does not stand for re-election, or if the FPC does not wish to extend their office, a new vacancy shall arise.
- 4.3 The FPCs shall draw up a resignation schedule. Without prejudice to article 4.4 members of the FPCs shall resign in accordance with the resignation schedule.
- 4.4 FPC 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 FPC.
- 4.5 FPC members who accept a position in the SB or the Members' Council shall immediately retire and resign from their position in the FPC.

#### **Article 5 – Remuneration**

- 5.1 The SB grants the FPC members a remuneration and determines this. The remuneration of the FPC members is not dependent on the results of the cooperative.
- 5.2 All reasonable costs (such as travel expenses) incurred in connection with the attendance of meetings of the FPC shall be reimbursed to the FPC members. All other costs will only qualify for remuneration, wholly or in part, if arranged in prior consultation with the chair of

the FPC and with the approval of the meeting on cooperative affairs. The chair of the FPC shall inform the FPC of this on an annual basis.

### **Allocation of tasks and working procedure**

#### **Article 6 – Tasks of the FPCs**

6.1 The FPCs are responsible for:

- a. advising the company on the implementation of policy for the relevant product or product group;
- b. fulfilling a signalling function vis-à-vis the company regarding trends in the market for the product in question;
- c. making a contribution to the communication between the members and the cooperative at product level for the purpose of reinforcing the involvement of members in the cooperative.
- d. Consulting FPC members on relevant product-related policy issues. Each FPC is responsible for consulting its members and is supported in this by the company. Consultation is possible via methods and means used within the company.

#### **Article 7 – Chair of the FPC**

7.1 The FPC shall appoint a chair from among its members. The chair of the FPC should be a member of Royal FloraHolland. A profile of the position of chair is included in Appendix B of these Regulations.

7.2 The chair determines the agenda and leads the meetings of the FPC. The chair oversees the proper functioning of the FPC and, where applicable, its committees or working groups, together with the desired participation by FPC members in the induction and education or training programmes.

7.3 If an ancillary position of the chair means there is or could be a conflict of interests, or the appearance of a conflict of interests, his or her role will be assumed, where appropriate, by another FPC member.

7.4 The chair of the FPC is appointed for a period of no more than three years and is subsequently eligible for reappointment. Including the terms of his chairmanship, the chair may be re-appointed three times.

7.5 A recommendation for the reappointment of the chair is always carefully considered and shall not be an automatic procedure. In the event of reappointment, consideration is given to the way in which the candidate has fulfilled the duties of chair. Deliberations on reappointment take place without the parties involved being present.

7.6 The FPC chair is supported by a team provided by the company to support the FPCs.

#### **Article 8 – Sponsor of the FPCs**

8.1 The FPCs are supported by a Royal FloraHolland manager. This position/role is also called sponsor.

8.2 The sponsor is responsible for identifying the underlying questions within an FPC and assigning the questions to the appropriate person or department within the company. In order to do so, the sponsor may consult the Core Team within the company for advice.

8.3 The sponsor is responsible for explaining the strategy of the company and the resulting choices of the cooperative if relevant to the product group.

8.4 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. The sponsor supports the chair, in conjunction with the FPC support team, in the actual organisation of the FPC (information, placing on the agenda, evaluation, training programme, etc.) and provides solicited and unsolicited feedback on the way in which the

chair guides the processes.

## **Article 9 – Meetings of the FPCs**

- 9.1 The FPC meets several times a year. Advice shall be provided 3 – 4 times a year. Apart from this, the FPC will meet as often as the chair and two or more FPC members deem necessary. The meeting shall, as a general rule, be held at the offices of Royal FloraHolland, but may also take place elsewhere.
- 9.2 The items to be dealt with will be prepared by Royal FloraHolland. The FPCs may decide that the preparation of certain items must take place in consultation with a committee or working group of the FPC.
- 9.3 Meetings of the FPC are presided over by the chair. In the absence of the chair at a meeting, the chair shall designate in advance one of the members present to assume the role of chair.
- 9.4 Notice to convene a meeting (the agenda and the corresponding documents) shall take place in writing or electronically through the FPC secretariat and at least seven days in advance. In urgent cases, this period of time may be deviated from.
- 9.5 The chair determines the order of the meeting and brings the received documents up for discussion. In doing so, the BOAT (*Beeldvorming, Oordeelsvorming, Adviesvorming, Toetsing*) principle shall be applied as much as possible. This can be translated as 'conceptualisation', 'opinion forming', 'advice' and 'assessment'.
- 9.6 In the event of frequent absence, the FPC member concerned is called to account for this by the chair and clarification requested. FPC support shall 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 FPC agree to the content of the minutes, these can also be established earlier. The minutes are signed by the chair as evidence of their adoption and are sent as soon as possible to the FPC members.
- 9.7 The FPC is responsible itself for the existence and performance

## **Article 10 – Decision-making**

- 10.1 The FPC can only give legally valid advice during the meeting if the majority of FPC 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 FPC member may only be represented at a meeting by another FPC member. An FPC member may only represent one other FPC member. In the event of a tie of votes, the chair decides. Members vote according to the 'one man one vote' principle and the majority decides.
- 10.2 The FPCs have an advisory role with respect to the company. Moreover, the 'apply or explain' principle applies: if the company decides not to adopt a recommendation, the manager of the relevant service owner or sponsor are required to explain the considerations leading to that decision to the FPC. Depending on the subject, it is determined who provides the explanation.
- 10.3 In the context of opinion forming, the FPCs should, in relevant cases, consult members in accordance with a process to be established for this purpose and present the results of the consultation as evidence of the member opinions. The company supports this process.

## **Article 11 – Development and training of FPC members, induction programme and ongoing training and education**

- 11.1 The development and training of FPC members follows the frameworks and principles identified in the development and training policy of members of the

company, which has been approved by the Members' Council.

- 11.2 After being appointed, each member of the FPC takes part in an induction programme drawn up and financed by Royal FloraHolland, during which attention is devoted to:
  - a. the role and responsibility of FPC members;
  - b. the decision-making processes within Royal FloraHolland;
  - c. specific aspects that are typical of Royal FloraHolland and its company activities;
- 11.3 The FPC assesses the areas in which members of the FPC require further training or education during their term of appointment on an annual basis.
- 11.4 The Cooperative Services Manager reports annually to the Members' Council on the activities undertaken within the framework of the development and training of FPC members.

### **Article 12 – Confidentiality**

Each member of the FPC 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 FPC shall not disclose confidential information outside of the FPC 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 FPCs, and its individual members', own responsibility to demand all information from the company that the FPC needs in order to be able to carry out its duty as an advisory body.
- 13.2 The company shall provide the FPC with information about the facts and developments relating to Royal FloraHolland in a timely fashion (and where possible in writing), which the FPC requires to properly carry out its duty.
- 13.3 If a member of the FPC obtains access to information (from another source than the company or the FPC), which is useful to the FPC in order to properly carry out its duties, he shall make this information available to the chair of the FPC as soon as possible. The chair shall subsequently inform the entire FPC.

### **Relationships and duties with regard to bodies of Royal FloraHolland**

#### **Article 14 – Relationship with the company**

- 14.1 The company should consult and/or involve the FPCs as described in article 6.1 of these Regulations.
- 14.2 With respect to the FPCs, the company is required to act in accordance with the 'apply or explain' principle; if the company decides not to adopt a recommendation, it is required to explain the considerations leading to that decision to the FPC.
- 14.3 The explanation is done by the manager of the relevant service owner or sponsor. Depending on the subject, it is determined who provides the explanation.

#### **Article 15 – Relationship with the Supervisory Board**

15. 1 The Management Board and SB shall meet once a year to discuss the performance of the FPCs or how the cooperation between the company and the FPCs is working.

#### **Article 16 – Relationship with the Members' Council**

16. 1 The FPC has no mandate in issues on the agenda of the Members' Council (strategic issues that transcend product).

16. 2 An annual meeting takes place between the FPC chairpersons and members of the Members' Council, including at least the chair of the Members' Council.

## **Appendix A – FPC member profile**

### General

- Members of the FPC are members of the cooperative. An exception may be made to this rule and a non-member may be nominated for election.
- A good reflection of the way in which flowers and plants are grown, assortment, auction clock/direct sales, wholesale/retail, company size, regional dispersal, age and specific knowledge.
- If applicable, the goal is for a representative of the LTO plant group and/or the growers' association(s) to be a member of the FPC.
- The position is voluntary but not without obligations. Conditions for a well-functioning FPC include making the proper preparation and active participation.

### Required skills and experience

- Good professional and intellectual ability (senior secondary vocational education (MBO)/ higher professional education (HBO) or equivalent)
- Skilled communicator
- A good appearance towards and trust among members (ethical)
- Market-oriented and commercially-oriented
- (preferably) managerial experience
- Good network within the relevant product group

## **Appendix B – FPC chair profile**

### Person:

- The chair plays a binding linking role, both within the FPC and between the FPC and the Management Board. The chair determines and monitors the atmosphere and etiquette within the FPC and between the FPC and the Management Board;
- The chair is a people person with good communication skills. He or she is capable of fulfilling his or her role as chair with conviction.

### Position requirements:

- Policy-related professional and intellectual ability (higher professional education (HBO) or equivalent);
- Good command of the English language (if applicable);
- Prepared to take the necessary courses and/or training that are related to the exercise of the duties;
- The ability to adopt an independent and critical attitude with respect to the other members of the FPC and with respect to the Management Board;
- Alertness to the interests of the enterprise and the various stakeholders;
- Constructive contribution to discussions in the FPC;
- Awareness of (international) social developments.

### Origin:

- A personal member of Royal FloraHolland (i.e. not a manager);
- Grows products that are within the domain of the FPC in question.

## **Appendix C – FPC sponsor profile**

### Origin:

- The sponsor of an FPC is a manager and also a member of the Focus Group (top 50 managers) within Royal FloraHolland.

### Position requirements:

- Capable of explaining Royal FloraHolland's strategy to FPC members.
- Familiar with the company and the cooperative and capable of dealing with questions and signals from the FPC from the FPC to the most relevant service owner / responsible department.
- Involved in and responsible for the progress of the processes within the FPC and the impact or possible impact of these on Royal FloraHolland's business operations.
- Willing to make efforts to gain knowledge and enhance understanding in the (relevant) product group(s), of which the FPC is composed.
- Able to give solicited and unsolicited advice to the FPC chair and the entire FPC for the better performance of the FPC.