

Members' Council Regulations

Royal FloraHolland Cooperative U.A.
Approved on 12 October and adopted on 8 December 2022



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Article 1 – General, status and contents of the regulations

- 1.1 These Members' Council Regulations (the 'Regulations') were drawn up by the Members' Council (the 'Members' Council') of Royal FloraHolland Cooperative U.A. ('Royal FloraHolland') with approval of the Supervisory Board (the 'Supervisory Board') in accordance with the provisions of Article 28, paragraph 22 of the articles of association of Royal FloraHolland (the 'Articles of Association') and serve as a supplement to the rules regarding the organisation and working method that are applicable to the Members' Council by law, the regulations based thereon and the Articles of Association.
- 1.2 These Regulations were approved by the Supervisory Board on 12 October 2022 and adopted by the Members' Council on 8 December 2022.
- 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 If one of the provisions in these Regulations is not valid or no longer valid, this will not affect the validity of the other provisions. The Members' Council will, subject to the approval of the Supervisory Board, replace the invalid provisions with valid provisions whose effect, given their content and scope, is the same as that of the invalid provisions as far as possible.
- 1.4 For the purpose of these Regulations, 'in writing' is also understood to include electronically.
- 1.5 Where these Regulations use the male form, this is understood to include the female form, and vice versa.

Article 2 – Incidental non-compliance, amendment

- 2.1 Without prejudice to the provisions set forth in Article 1, paragraph 3, the Members' Council may occasionally decide, in consultation with the Supervisory Board, not to apply these Regulations.
- 2.2 Without prejudice to the provisions set forth in Article 1, paragraph 3, the Members' Council may, subject to the approval of the Supervisory Board, amend these Regulations by resolution.

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Article 3 – Composition of the Members' Council

- 3.1 In accordance with Article 28, paragraph 1 of the Articles of Association, Royal FloraHolland has a Members' Council that forms the general meeting of the Cooperative.
- 3.2 The Members' Council has a size of no less than thirty-five (35) and no more than forty-five (45) natural persons. Only natural persons belonging to the circle of members can be a member of the Members' Council.
- 3.3 The circle of members includes the following natural persons:
 - a. members - natural persons;
 - b. the direct or indirect directors of members - legal entities;
 - c. the shareholders of members - legal entities;
- 3.4 Candidates for appointment and the appointed members of the Members' Council must satisfy the requirements for membership under the Articles of Association, including Article 18, paragraph 5 of the Articles of Association, unless the Management Board has approved deviation from the same, and also satisfy the profile drawn up by the Members' Council (**Appendix A**). Upon the composition of the Members' Council, sufficient reflection of the membership of Royal FloraHolland must be taken into account, in the course of which a high-quality and mixed composition is pursued in order that the Members' Council can carry out its tasks properly.

Article 4 – (Re)appointment, term and retirement

- 4.1 The members of the Members' Council are appointed by the members of the Cooperative on the nomination of the Nomination Committee in a members' meeting called for that purpose. Interim appointments take place if five (5) or more vacancies arise in the Members' Council.
- 4.2 The appointment procedure for the members of the Members' Council is determined by the Supervisory Board. The Members' Council is personally responsible for the correct and timely application of the appointment procedure and the relevant consequences.
- 4.3 The members of the Members' Council 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. Thereafter, a reappointed member of the Members' Council may be reappointed no more than twice for a maximum period of two (2) years. In the event of such ('extended') reappointment after a period of eight (8) years, the extended appointment will be substantiated in the report of the Members'

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- 4.4 After a member of the Members' Council has sat on the Members' Council for two (2) terms of office, he or she is eligible for a subsequent term if he or she has not been a part of the Members' Council for at least four (4) years. The new term is then considered a first term, and he or she can be reappointed for a second term as referred to above.
- 4.5 A member of the Members' Council appointed in the interim period serves in place of the person he or she is succeeding. In the event that the first term of the predecessor did not last longer than half of the original term, that period will not apply for the provisions set forth in paragraph 3 of this article.
- 4.6 The Members' Council provides for a balanced retirement schedule (**Appendix B**). The retirement schedule may deviate from the period for which a member of the Members' Council is appointed, with the understanding that the period for which a member of the Members' Council is appointed can never exceed four (4) years.
- 4.7 A nomination for the reappointment of a member of the Members' Council is always carefully considered by the Nomination Committee 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 duty as a member of the Members' Council. The Nomination Committee indicates with each and every nomination for reappointment that and why the nominated candidate properly performed their duties as a member of the Members' Council.
- 4.8 A member of the Members' Council may be suspended by the Members' Council for inadequate performance or any other reason deemed sufficient by the Members' Council. Suspension applies for a maximum period of three (3) months, which period can at most be extended once by a subsequent period of at most three (3) months. The Members' Council can, in any case, suspend a member of the Members' Council if, at the discretion of the Members' Council, there is a suspicion of events and circumstances that form a cause for dismissal as referred to under c and d of paragraph 8 of this article.

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- 4.9 A member of the Members' Council retires:
- a. because, and effective from the times that, they no longer belong to the group of members as referred to in Article 3, paragraph 3;
 - b. because, and effective from the time that, they are appointed as a member of the Supervisory Board, a member of a Royal FloraHolland product committee as referred to in Article 25 of the Articles of Association ('FPC'), or a member of a regional advisory committee as referred to in Article 26 of the Articles of Association ('RAC');
 - c. because, and effective from the time that, they are dismissed from their position by means of a corresponding resolution of the members of the Cooperative, which was adopted with due observance of the relevant provisions set forth in the Articles of Association or any regulations of the Cooperative, and which the members are in any case authorised to adopt in the event that:
 - (i) the member of the Members' Council acts in violation of the Articles of Association, any regulations of the Cooperative or the resolutions of bodies of the Cooperative;
 - (ii) the Cooperative and/or Royal FloraHolland is prejudiced unreasonably;
 - (iii) it can reasonably not be required of the Cooperative that the membership of the Members' Council is continued, including in any case the instances where the member of the Members' Council is subject to director disqualification under civil law within the meaning of Sections 106a up to and including 106e of the Dutch Bankruptcy Act or a comparable disqualification under foreign law, and the instance where the member has been convicted under criminal law due to the membership of a prohibited organisation, in the Netherlands and/or outside the Netherlands.
 - d. in case of unsatisfactory performance, structural incompatibility of interests or when this is otherwise required in the opinion of the Members' Council.

Article 5 – Remuneration

- 5.1 The members of the Members' Council are entitled to remuneration for the preparation and attendance of meetings of the Members' Council and for the activities related to the position of member of the Members' Council. The remuneration of the members of the Members' Council is not dependent on the results of the Cooperative.
- 5.2 Costs that are reasonably incurred in connection with the performance of the position, e.g. travel expenses, will be reimbursed to the members of the Members' Council.

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- 5.3 The amount of the remunerations referred to in paragraph 1 and the amount of eligible costs referred to in paragraph 2, as well as the manner and time of their payment, shall be determined by the Supervisory Board once every three (3) years and announced through the Cooperative's online platform (**Appendix C**).
- 5.4 The total amount of the remunerations and costs to be paid annually are mentioned in the explanatory notes to the annual accounts of Royal FloraHolland.

Article 6 – Duties and powers of the Members' Council

- 6.1 All powers conferred on the general meeting of a cooperative by law as well as the powers conferred on it under the Articles of Association are vested in the Members' Council.
- 6.2 The Members' Council has legal authority to resolve on:
 - a. the adoption and amendment of the Articles of Association;
 - b. the appointment of the members of the Supervisory Board;
 - c. the adoption of the annual accounts;
 - d. a merger, division, conversion into another legal form and dissolution of the Cooperative, while taking into account the relevant provisions in the Articles of Association. (those powers collectively referred to as: the “legal powers”).
- 6.3 Under the provisions of Article 24, paragraph 11 of the Articles of Association, the Members' Council has the power to submit a request to the Netherlands Enterprise Court of the Amsterdam Court of Appeal for the dismissal of (a member of) the Supervisory Board.
- 6.4 Decisions of the Members' Council that must be approved by the members' meeting, as referred to in Article 28, paragraph 2 of the Articles of Association, refer to:
 - a. merging, division, conversion into a different legal form and dissolution of the Cooperative; and
 - b. amendment of the provision as referred to under a.

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- 6.5 Under the provisions of Article 28, paragraph 3 of the Articles of Association, the Members' Council has the following duties and powers:
- advising the Management Board of the Cooperative (the 'Management Board') on the strategic development of the Cooperative and policy matters extending beyond products;
 - fulfilling a reporting function to the Management Board concerning the developments in the market, the (strategic) direction of the Royal FloraHolland organisation and the performance of the Royal FloraHolland organisation; and
 - putting forward subjects that require the attention of the Management Board and the Royal FloraHolland organisation;
- 6.6 In pursuance of the provisions set forth in Article 28, paragraph 4 of the Articles of Association, the Members' Council has the following duties:
- making recommendations to the Supervisory Board for the (re)appointment of a Supervisory Board member;
 - exercising the right to object against candidates proposed by the Supervisory Board;
 - setting the remuneration policy for the Management Board of the Cooperative; and
 - setting the remuneration of the members of the Supervisory Board.
- 6.7 The Members' Council has the duty to act as the appeal body against resolutions of the Management Board regarding refusal, suspension, termination and removal of and from the membership on the basis of Article 7.3, Article 11.4, Article 12.4 and Article 14.2 of the Articles of Association of Royal FloraHolland. The process for handling appeal cases is described in the Protocol for the Handling of Appeal Cases (Appendix D) .
- 6.8 The Members' Council is responsible for the development and training policy for members, including FPC members and chairs.
- 6.9 The Members' Council is responsible for maintaining a sound dialogue between the members and the Members' Council on topics and themes related to the Cooperative and the Members' Council's duties and powers as referred to in the Articles of Association, and manages it. However, the Members' Council does not consult the members about matters that, for example, concern the work and power of other entities of the Cooperative or of an FPC or RAC. The Members' Council may consult the members about special topics and organise orientation meetings. The Members' Council considers the outcomes of the consultation with the members in its decision-making and recommendations and periodically gives account of the same to the members.

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- 6.10 The Members' Council shall, in any case, consult the members on the occasion of the annual meeting (which implies: prior to, at the time of and after conclusion of) and prior to the autumn meeting, both as referred to below in Article 9, paragraph 1. The manner and organisation of these consultations of the members take place via a programme to be prepared by the Members Engagement Committee and Consultation Committee.
- 6.11 The Members' Council is authorised, in consultation with the Management Board and the Supervisory Board, to hold orientation meetings with the members and other stakeholders of the Cooperative (e.g. suppliers, customers and businesses that provide relevant services to Royal FloraHolland), and to hire and invite experts in connection therewith, for the orientation about and preparation of potential new developments and initiatives, in view of the optimisation of the quality and effectiveness of its decision-making.
- 6.12 The Members' Council annually reports on the performance and the activities of the Members' Council by means of a chapter in Royal FloraHolland's annual report. In that chapter, attention is also paid to the annual evaluation of the members of the Members' Council

Article 7 – Chair of the Members' Council

- 7.1 The Members' Council will appoint one of its members as chair. The profile referred to in Article 3, paragraph 4 shall also include a profile of the (vice) chair of the Members' Council. The Members' Council may ask the Nomination Committee to recommend possible candidates for the (vice-)chairmanship, including a justification based on the applicable profile of the (vice-)chair as referred to above.
- 7.2 Each member of the Members' Council can put himself/herself forward as a candidate for the chairmanship. At least 4 members of the Members' Council may jointly nominate another member of the Members' Council for the chairmanship, subject to the consent of the candidate concerned. Candidates for the chairmanship indicate whether they will work with a vice-chair and elect their vice-chair.
- 7.3 Nomination of candidates for the position of chair may take place at the latest up to four (4) weeks prior to the meeting of the Members' Council where the appointment of the chair shall be on the agenda. The nomination of candidates is accompanied by a short motivation of the candidate as to why they aspire to the position of chair.

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- 7.4 The decision-making process regarding the appointment of the chair takes place in due observance of the provisions set forth in Article 11, paragraph 6. Decisions on the appointment of the chairman and his/her possible vice-chair shall be made in accordance with the provisions of Article 11, paragraph 6 of these regulations.
- 7.5 The Members' Council chair will serve for a term of three (3) years. A retiring Members' Council chair may be re-appointed as chair only once for a further period of three (3) years. In deviation from the provision in the second sentence of Article 4, paragraph 3, the chair may be reappointed for a second time as member of the Members' Council for a period of four (4) years.
- 7.6 The provisions set forth in Article 4, paragraph 6 are applicable in full to the reappointment of the chair of the Members' Council. Deliberations on reappointment take place without the parties involved being present.
- 7.7 The chair of the Members' Council presides over the informal meeting of the Members' Council and prepares the relevant agenda. The chair of the Members' Council presents the agenda, prior to dispatch to the members of the Members' Council, to the Supervisory Board and to the Management Board for information purposes.
- 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 ensures that the contacts with the Management Board and the Supervisory Board proceed properly.
- 7.9 The chair of the Members' Council monitors the proper operation of the Members' Council and its committees and/or working groups, in particular so that:
- the members of the Members' Council participate in the introduction and training programme;
 - the members of the Members' Council receive any and all information required for the proper performance of their duties in a timely fashion;
 - there is sufficient time for the deliberations and decision-making by the Members' Council;
 - the members of the Members' Council are periodically assessed on their performance;
 - the members of the Members' Council communicate diligently about the resolutions adopted by the Members' Council, in accordance with the provisions set forth in Article 11, paragraph 12.

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7.10 The vice-chair shall perform the aforementioned duties of the chair in his absence.

Article 8 – Secretary of the Members' Council

- 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 makes one of its employees available to the Members' Council as secretary of the Members' Council. The secretary of the Members' Council may not be removed from his or her position without the approval of the Members' Council.
- 8.2 The secretary of the Members' Council ensures that the correct procedures are followed and that the actions taken are in accordance with the obligations pursuant to the law and other relevant regulations, the Articles of Association and these regulations and any other applicable regulations.
- 8.3 The secretary of the Members' Council supports the chair of the Members' Council in the actual organisation of the Members' Council (including with regard to the topics as referred to in Article 7, paragraph 9). The secretary of the Members' Council supports, in a comparable manner and insofar as necessary, the chair of the Supervisory Board in connection with a formal meeting 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 delegate his duties, or parts thereof, to people who work for Royal FloraHolland or externally.

Article 9 – Meetings

- 9.1 The Members' Council meets according to a schedule to be prepared annually, including in any case a spring and an autumn meeting. The spring meeting shall be held within the first six (6) months of the financial year, unless this period is extended by the Members' Council. This meeting is referred to as the 'annual meeting'. When preparing the meeting schedule, the meeting schedule of the Management Board and the Supervisory Board is aligned as much as possible. The chair of the Members' Council, the chair of the Management Board and the chair of the Supervisory Board annually determine in joint consultation what fixed topics are included on the annual agenda of the Members' Council and for which of those topics consultation with the members will take place.
- 9.2 The annual meeting will deal, in any event, with the annual report and the annual accounts of Royal FloraHolland for the past financial year, taking into account that which is determined in further detail in the Articles of Association.

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- 9.3 Aside from the two meetings referred to in paragraph 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 the members of the Members' Council who can exercise at least one-tenth (1/10) of the number of votes that can be cast in a meeting of the Members' Council where resolutions can be adopted (a 'formal meeting'), the Management Board is obliged to convene a formal meeting within no more than four (4) weeks of that request being submitted. The above also applies to a meeting of the Members' Council where no resolutions can be adopted (an 'informal meeting'), with the understanding that the request in that case is addressed to the chair of the Members' Council and that the chair is then obliged to convene or have the informal meeting convened by the Management Board.
- 9.5 A formal meeting of the Members' Council, which definitely includes the annual meeting and the two meetings referred to in the first sentence of paragraph 1 of this article, is chaired by the chair of the Supervisory Board. If the chair of the Supervisory Board is absent, then the Supervisory Board will appoint a deputy.
- 9.6 An informal meeting of the Members' Council is presided over by the chair of the Members' Council.
- 9.7 Meetings of the Members' Council other than those referred to in paragraph 1 are held at the request of the Members' Council or at the request of the Supervisory Board, without prejudice to the provisions set forth in paragraph 3 of this article and in Article 10. All meetings of the Members' Council shall be convened by the Management Board by means of notices convening a meeting, with due observance a period of at least seven (7) days, not counting the day of the meeting. Notices convening a meeting will be sent to each of the members of the Members' Council to the e-mail addresses provided by them to the Cooperative. The notices convening a meeting specify the place and the starting time of the meeting, whether it is a formal or informal meeting, and the topics to be discussed. Without prejudice to the provisions set forth above about the period of dispatch for the notices convening a meeting to the members of the Members' Council, the Members' Council aims to make the documents to be discussed at the meeting available to the members of the Members' Council at least two (2) weeks prior to the meeting.

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- 9.8 The Management Board establishes, with approval of the Supervisory Board, the agenda of a formal meeting of the Members' Council. The chair of the Members' Council sets the agenda of an informal meeting of the Members' Council and presents it for information purposes to the Supervisory Board and the Management Board before sending the notices convening a meeting as referred to in paragraph 7 to the members of the Members' Council.
- 9.9 For a formal meeting and an informal meeting, any agenda items can also be proposed to the Management Board by:
- a. the Nomination Committee;
 - b. the Supervisory Board; and
 - c. by members of the Members' Council who, combined, represent at least one tenth (1/10) of the number of votes that can be cast in a full formal meeting.
- A request to include a subject 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 In the event that at least one tenth (1/10) of the Members' Council places a Motion of No Confidence against a member of the Supervisory Board or the plenary Supervisory Board on the agenda, then this will not require a relevant proposal of the Management Board or approval of the Supervisory Board. The procedure regarding the motion of no confidence is elaborated further in Appendix E to the Members' Council Regulations.
- 9.11 If in a formal meeting a subject is raised that was not listed on the meeting's agenda, the chair may allow resolutions to be passed on that subject, but only if:
- a. it relates to a subject of which the deliberation cannot be postponed given its urgent nature; and
 - b. the Supervisory Board does not object to the subject being discussed; and
 - c. the motion of the chair of the meeting to discuss this subject is accepted by the Members' Council with an absolute majority of the votes cast; and the resolution about that subject 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 prescribe a greater majority and without prejudice to the provision in Article 11, paragraph 2.

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

- 10.1 If on the proposal of a group of members of at least two hundred and fifty (250) in number and who are jointly authorised to cast at least one-twentieth (1/20) part of the votes at a full members' meeting as referred to in Article 31 of the Articles of Association, a request is made to the Members' Council to consider, at an informal meeting to be convened for that purpose, subjects that are in the interests of the Cooperative and the members, provided that the subjects fall within the mandate of the Members' Council and that they have first approached the Members' Council to put the subject on the agenda at a meeting of the Members' Council via Article 29, paragraph 6 of the Articles of Association, the Members' Council shall decide in 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 topics as referred to in Article 6, paragraphs 2 to 6, fall under the mandate of the Members' Council.
- 10.3 That which does not fall under the mandate of the Members' Council includes:
- topics that, in accordance with the law and/or the Articles of Association, fall under the mandate of the Management Board, the Supervisory Board or another body of the Cooperative including, by way of example, topics that relate to operational matters;
 - the setup and the governance of the Cooperative;
 - 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);
 - 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 was granted or refused, unless the Members' Council decides that insufficient member consultation about the topics in question has taken place.
- 10.4 The request of the members is addressed to the chair of the Members' Council with a copy to the Management Board and to the Supervisory Board. The request indicates, as accurately as possible, the topic of which the members of the Members' Council require deliberation, and it also indicates the initiators by name and it contains a reasoned explanation.
- 10.5 The request is accompanied by a list of signatures and grower numbers of the members on whose behalf the request is made (the 'Requesters').
The request also indicates whom of the requesting members acts as the contact person of the Requesters (the 'Contact Person'). Any and all correspondence of and on behalf of the Members'

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Council, the Management Board and the Supervisory Board is addressed to the Contact Person and shall, as the occasion arises, be deemed to be addressed to all Requesters. Any and all correspondence of and on behalf of the Contact Person is addressed to the chair of the Members' Council and shall, as the occasion arises, be deemed to be sent by all Requesters.

- 10.6 The chair of the Members' Council confirms the receipt of the request within ten (10) days after receipt by means of a corresponding written or electronic confirmation to that effect, addressed to the Contact Person, with a copy to the Management Board and the Supervisory Board.
- 10.7 The chair of the Members' Council then enters into consultations with the chair of the Management Board (the 'CEO') and the chair of the Supervisory Board about the request. In those consultations it is established:
 - i. whether the request falls under one or more of the criteria referred to in paragraph 2 in order to qualify for deliberation in the Members' Council or whether the request falls under one or more of the criteria referred to in paragraph 3 on the basis of which the request does not qualify for deliberation;
 - ii. if the request qualifies for deliberation, which consequences can be expected for the Cooperative.
- 10.8 The chair of the Members' Council, the CEO, and the chair of the Supervisory Board all have the necessary consultations with the other members of their respective bodies, if they deem this to be useful or necessary.
- 10.9 The chair of the Members' Council invites the Contact Person in writing to elucidate the request further in person on behalf of the Requesters (the 'Prior Consultations'). The purpose of the Prior Consultations is to clear up potential obscurities and to explain the remainder of the process further. The request is not discussed or argued further substantively. This takes place in the requested informal meeting. The Prior Consultations can also be attended by a maximum of 10 other Requesters. The secretary of the Members' Council attends the meeting. If they are prevented from attending then the chair of the Members' Council designates another member of the Members' Council to act in the capacity of secretary of the Prior Consultations. The CEO and the chair of the Supervisory Board are authorised, but not required, to attend the Prior Consultations. They are each authorised to designate another member of the Management Board or another member of the Supervisory Board to attend the meeting in their place.

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- 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 Prior Consultations, whether or not at the request of the Requesters.
- 10.11 The Prior Consultations take place at one of the offices of the Cooperative, to be determined by the chair of the Members' Council. The Prior Consultations take place at the latest four (4) weeks after receipt of the request of the members.
- 10.12 The secretary of the Members' Council takes minutes of the Prior Consultations. The minutes are sent immediately, however at the latest two (2) weeks after the Prior Consultations, to each of the persons present. The minutes are signed by the chair and the secretary of the Members' Council.
- 10.13 The chair of the Members' Council, the CEO, and the chair of the Supervisory Board will issue advice on the request to the Members' Council (the 'Advice'). They preferably resolve unanimously on the content of the Advice. However, if they adopt their resolution by a majority of votes, then with the Advice they mention the reasons on the basis of which each of them reached their opinion.
- 10.14 On the occasion of the dispatch of the minutes to those who attended the Prior Consultations, the chair of the Members' Council informs the Contact Person of the Advice with an accompanying, brief, explanation of the considerations that resulted in the opinion to the Members' Council to process or to grant the request.
- 10.15 The chair of the Members' Council simultaneously requests the Management Board to convene a formal meeting of the Members' Council within the meaning of Article 29, paragraph 4 under b of the Articles of Association in order to resolve on the request, in such manner that the relevant meeting can be held at the latest four (4) weeks after the final date that the minutes and the Advice must be sent to those present at the Prior Consultations.
- 10.16
 - a. If the Members' Council resolves in its formal meeting to grant the request then the informal meeting must be convened immediately in order that it can be held at the latest four (4) weeks after the formal meeting of the Members' Council as referred to in paragraph 15.
 - b. 'Members speak with members' is basically the guiding principle of this informal meeting. Article 10.10 of these regulations applies mutatis mutandis in this regard.
 - c. An informal meeting as referred to in Article 29, paragraph 4 under a of the Articles of Association is not a decision-making meeting. This implies that the members present during the

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meeting do not have voting rights, votes cannot take place, and a proxy cannot be granted either in the event that a member is unable to attend the informal meeting.

- 10.17 On the occasion of the annual members' meeting as referred to in Article 31, paragraph 1 of the Articles of Association, the Members' Council reports to the members about the number of requests that it received in the previous financial year and the decision-making in respect of the same.
- 10.18 Appeal against the decision of the Members' Council on a request as referred to in this Article 10 is excluded.

Article 11 – Decision-making

- 11.1 The Members' Council may only make legally valid decisions during its meeting if the majority of its members are present or represented, on the understanding that members with a conflicting interest, as referred to in paragraph 4 of this article, do not count towards the calculation of this quorum. The Members' Council adopts its resolutions by absolute majority of the votes cast, unless an increased majority is required by law or pursuant to the Articles of Association and without prejudice to the provisions set forth in paragraph 2 of this article. A member of the Members' Council may not be represented at the meeting by another member of the Members' Council.
- 11.2 If the number of members serving in the Members' Council falls below thirty (30) persons, the Members' Council may not take any decisions other than those related to the legal powers as referred to in Article 6, paragraph 2, until at least thirty-five (35) members of the Members' Council are serving on the Members' Council. If a vacancy has arisen due to a voluntary retirement of a member of the Members' Council 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 is disregarded for the purposes of the above.
- 11.3 Each member of the Members' Council has one (1) vote in the meetings of the Members' Council. When exercising the voting rights, the members vote without being bound by any mandate or instructions and they take the interests of all members into account. Therefore, the members of the Members' Council do not represent individual interests or particular interests of members or groups of members.

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- 11.4 A member of the Members' Council does not participate in the deliberations in the Members' Council and decision-making if they have a direct or indirect interest in the same that is at odds with the interest of the Cooperative. Prior to the meeting, the relevant member of the Members' Council must inform the chair of the Member's Council accordingly.
- 11.5 Voting on issues in a meeting of the Members' Council will take place orally unless the chair of the meeting decides that voting takes place by ballot. Votes on persons in a meeting of the Members' Council are held with sealed ballots. Votes by acclamation in a meeting of the Members' Council are possible on business matters as well as people if none of the authorised voters in attendance objects.
- 11.6 If nobody obtains an absolute majority of votes validly cast in a vote on persons, a repeat vote will be held between the two persons having obtained the two largest numbers of votes, once an interim vote has, if necessary, first been held between any persons having obtained an equal number of votes. If the votes are tied among two or more persons in the interim vote, lots will be drawn to determine which of the two persons will be eligible for the second ballot. In the event of a tied vote in the second ballot, lots will be drawn to determine who is elected.
- 11.7 If no absolute majority is achieved in a vote on issues, the proposal is rejected.
- 11.8 Blank ballots and invalid votes do not count as votes cast.
- 11.9 If the Cooperative provides for votes to be cast by automated means, such as by means of electronic voting boxes, voting rights at the meeting shall be cast by such means.
- 11.10 Votes cast via an electronic means of communication prior to a Members' Council meeting, but not earlier than the thirtieth day before the day of the meeting, shall be treated as votes cast during the meeting. Votes cast in advance are valid only if one is also present at the meeting. The above provisions only apply if the possibility of casting votes electronically in advance was announced in the notice of the meeting.
- 11.11 After conclusion of a vote, the secretary communicates the outcome of the vote on the relevant item on the agenda to the meeting with mention how many of the members voted in favour, how many against, and how many abstained from voting. The secretary ensures on behalf of the Members' Council that after conclusion of the meeting, the outcome of the votes and a report of the deliberations are communicated to the members via the Cooperative's online platform. Only the outcome that is announced in the said manner with the percentage of persons voting in

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favour, the persons voting against and abstentions, however without mention how each member of the Members' Council voted.

- 11.12 The minutes of the meetings are adopted in the next meeting of the Members' Council and are, evidencing the same, signed by the chair and the secretary of that next meeting. The minutes do, in any case, contain the resolutions adopted by the meeting. The secretary sends to the Management Board and the Supervisory Board (i) prior to the next meeting of the Members' Council, a draft of the minutes for comments, and (ii) after adoption of the minutes by the Members' Council, a copy of the thus adopted minutes to the Management Board and the Supervisory Board. A member of the Members' Council, of the Management Board or of the Supervisory Board shall not distribute the minutes beyond the personal group, unless with the express prior consent of the Members' Council.
- 11.13 Also if a member of the Members' Council voted against a proposal, or abstained from voting, and the relevant proposal was adopted by the Members' Council, then the member shall respect and propagate the duly adopted resolution, with the understanding that they are, however, permitted to explain their personal standpoint.

Article 12 – Committees of the Members' Council

- 12.1 The Members' Council has a number of committees:
- a. the Finance Committee for all financially-related matters;
 - b. the Strategy Committee for strategic and policy-related issues;
 - c. the Members Engagement Committee for active and timely consultation of the members, regardless of the issue;
 - d. the Cooperative Committee for the assessment, suspension and dismissal of members of the Members' Council and their remunerations, the assessment of the organisation and working methods of the Members' Council, as well as for the discussion and preparation of the tasks and powers of the Members' Council as referred to in Article 28, paragraph 4 of the Articles of Association; and
 - e. such other committees as the Members' Council may decide from time to time.
- 12.2 In addition, the Members' Council also has the Coordination Consultation. This consultation is composed of, in any case, the chairs of the various committees, the chair of the Members' Council and the secretary. The consultation shall advise the chair on potential issues on which the Members' Council is involved or wants to be involved. In doing so, the consultation monitors the agenda of and process within the Members' Council.

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- 12.3 The committees prepare the decision-making in the Members' Council and provide, if so requested, advice to the Members' Council about matters within the boundaries of the duties assigned to them. Hence, the committees do not have decision-making authority delegated by the Members' Council.
- 12.4 The Members' Council entrusts each and every committee with a duty and may change said duty from time to time, including limiting as well as expanding it. The Members' Council may, on its own initiative or on the proposal of a committee, establish a (new) committee with the composition, duties and powers as determined by the Members' Council.
- 12.5 Committee members are appointed by the Members' Council. Every committee of the Members' Council consists of a number of members of the Members' Council determined by the Members' Council of at least five (5) natural persons. A committee may invite experts and others to advise it and/or attend its meetings, without these persons being deemed to be part of the committee because of this. The aforesaid provision also applies to the Members' Council.
- 12.6 The meetings and other gatherings of the committees are organised, prepared, and convened in consultation with the secretary of the Members' Council. The meetings and gatherings of the committees are held at least three (3) times a year, or as many times more as determined by the Members' Council. At the request of at least three (3) members of the committee, more meetings and gatherings may be held.
- 12.7 The meetings and other gatherings of the committees are facilitated and supported by the support team to be made available by the Management Board, in consultation with the chair and the secretary of the Members' Council. The committees have the possibility of appointing a chair/contact person/spokesperson from their midst.
- 12.8 The committees are supported by an MT member or manager of Royal FloraHolland. This position/role is also called sponsor. The sponsor acts as a link between the committee of the Members' Council on the one hand and the company on the other, and is responsible for recognising and answering questions from a committee and assigning the questions to the appropriate person or department within the company. The sponsor always attends committee meetings, unless the committee specifies otherwise.

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- 12.9 The secretary of the Members' Council ensures that a report is drawn up of every gathering and meeting of a committee and that it is sent to the Members' Council members upon request after adoption by the relevant committee.

Article 13 – Introduction and training programme

- 13.1 After being appointed, each member of the Members' Council takes part in an introduction and training programme drawn up by the Cooperative in consultation with the Members' Council and financed by the Cooperative, during which attention is devoted to:
- a. general financial, social and legal matters;
 - b. the financial reporting by the Cooperative;
 - c. specific aspects that are unique to the Cooperative and its business, its operations and the markets in which it is active;
 - d. the responsibilities of the members of the Members Council;
 - e. skills to be able to think and act in terms of policy and autonomously;
 - f. managing and guiding groups;
 - g. gaining and maintaining the trust of the members and other parties involved in the Cooperative.
- 13.2. The Cooperative Committee assesses the areas in which members of the Members' Council require further training or education during their term of appointment on an annual basis and evaluates the performance of the members of the Members' Council with due observance of the provisions set forth in article 15.

Article 14 – Time spent and attendance at meetings

- 14.1 The members of the Members' Council must always have and actually spend sufficient time in order to be able to properly perform their position.
- 14.2 The members of the Members' Council attend all meetings of the Members' Council, barring exceptional circumstances, such as illness, family circumstances and extraordinary circumstances at their business. If they are prevented from attending a meeting, then they inform the chair of the Members' Council or, if the latter cannot be reached or is unavailable, the secretary of the Members' Council, accordingly by telephone.
- 14.3 The members of the Members' Council attend, at the request of the Members' Council or the chair of the Members' Council, the consultation meetings with the members and the orientation

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meetings with the members and other stakeholders, such that the time spent on the same is divided between the members of the Members' Council in a reasonable manner.

- 14.4 The members of the Members' Council prepare themselves for all meetings and other gatherings in the course of which their attendance is requested or required.

Article 15 – Annual evaluation of the Members' Council and its members

- 15.1 Every year, no later than December, the Members' Council evaluates its own performance. The Cooperative Committee prepares the evaluation.
- 15.2 The Cooperative Committee focuses, in any case, on:
- a. the performance assessment 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 the members of the Members' Council and the appointment procedure;
 - e. the Members' Council's relationship with the Management Board and the Supervisory Board;
 - f. the quality of the consultation of the members and other stakeholders by the Members' Council;
 - g. the quality and effectiveness of the Members' Council's decision-making;
 - h. the performance of the members of the Members' Council, their attendance at Members' Council meetings and member consultations, their knowledge and skills;
 - i. the performance of the chair of the Members' Council;
 - j. the presentation of a proposal to the Members' Council containing the possible consequences for a member of the Members' Council, including the chair, if their performance is below par.
- 15.3 Every year, the Cooperative Committee prepares the report referred to in Article 6, paragraph 8 regarding the performance and the activities of the Members' Council.

Article 16 – Relationship with the Management Board and the Supervisory Board

- 16.1 The members of the Management Board and a number to be designated on a case-by-case basis by the Supervisory Board of its own members of at least 2 are required 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 a number to be designated for the specific instance by

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the Supervisory Board of its own members of at least 2, are required to attend the informal meetings of the Members' Council.

- 16.2 If so requested by the chair of the Members' Council, the Management Board shall ensure the attendance of one or more members of the management team at the meeting of the Members' Council.
- 16.3 The chair of the Supervisory Board informs the chair of the Members' Council of the (re)appointment of members of the Management Board in a timely fashion.

Article 17 – Relationship with FPCs and RACs

- 17.1 On the initiative of the Members' Council, at least one meeting shall take place annually between a number of its members to be designated by the Members' Council and the chairs of the FPCs and the RACs. The agenda for that meeting is established by the chair of the Members' Council. The secretary of the Members' Council sends the agenda and other meeting documents to the persons invited to the meeting at the latest on the eighth day prior to the day of the meeting.
- 17.2 On the initiative of the Members' Council, a Members' Council member is connected to each FPC who joins the FPC meeting once a year. This Members' Council member provides feedback to the FPC on the work of the Members' Council and picks up signals from the FPC. In addition, this Members' Council member is the first point of contact for the FPC within the Members' Council.
- 17.3 Without prejudice to the provisions set forth in Article 11, paragraphs 11 and 12, the secretary of the Members' Council sends an overview of the resolutions adopted and the opinions provided by the Members' Council, accompanied by a brief explanation of the content thereof, to the chairs of the FPCs and the chairs of the RACs for information purposes, unless the interest of Royal FloraHolland opposes this given the content and/or the confidentiality of the issued opinion.

Article 18 – Confidentiality

Each member of the Members' Council is required to observe the necessary discretion with regard to all information and documentation received in connection with his membership and, where it concerns confidential information, to maintain confidentiality. Members, and former members, of the Members' Council shall not disclose confidential information outside the Members' Council or disclose it 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.

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Article 19 – Information

- 19.1 It is the Members' Council's, and its individual members', own responsibility to demand all information from the Management Board and the Supervisory Board that the Members' Council needs in order to be able to perform its duties properly as a Members' Council.
- 19.2 The Management Board and the Supervisory Board each provide the Members' Council with all information of which they know or should understand that it is required to enable the Members' Council to perform its duties properly and they shall do so in a timely fashion (and where possible in writing).
- 19.3 If a member of the Members' Council gains access to information (from a source other than the Members' Council, the Management Board or the Supervisory Board), which is useful to the Members' Council in order to properly carry out its duties, he will make this information available to the chair of the Members' Council as soon as possible. The chairman will then inform the entire Members' Council as well as, if relevant, the chair of the Management Board and the chair of the Supervisory Board.

- Appendix A: Profile of the Members' Council**
- Appendix B: Retirement schedule**
- Appendix C: Overview of remunerations**
- Appendix D: Protocol for the Handling of Appeal Cases**
- Appendix E: Handling motion of no confidence**