



## **REGULATIONS**

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

#### **COÖPERATIE ROYAL FLORAHOLLAND U.A.**

Adopted on 28 November 2018

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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 by means of focused influence of 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 the implementation of policies regarding products or product groups.

Various developments regarding the product and 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 contents of the regulations**

- 1.1 These Regulations (the 'Regulations') were drawn up by the Supervisory Board 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 that are 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 Supervisory Board (SB) on 28 November 2018 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 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 If one of the provisions from these Regulations is not or no longer valid, this does not affect the validity of the other provisions. The SB 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: FPC member profile  
Appendix B: FPC chairman profile

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

- 2.1 Without prejudice to the definition in 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 definition in Article 1.3, the SB can 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. Only Royal FloraHolland members may be members of an FPC. A non-member may be part of an FPC only by way of exception. The aim is for the owner of the company to be a member of the FPC.
- 3.3 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), 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 Candidates for a vacancy in an FPC are appointed by the FPC. New FPC members are subject to a prior positive recommendation by the Governance committee of the Members' Council. FPC members are appointed for a period of 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 FPC 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 FPC member. Deliberations on reappointment take place without the party involved being present.
- 4.3 The FPCs prepare a schedule of resignation. Without prejudice to article 4.4, members of the FPCs will resign in accordance with the schedule of resignation.
- 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 Supervisory Board or the Members' Council will 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 will 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 chairman of the FPC and with the approval of the meeting on cooperative affairs. The chairman of the FPC will inform the FPC 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.

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

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

- 6.1 The FPCs are responsible for:
  - a. advising the Management Board on the implementation of policies regarding products or product groups;
  - b. to fulfill a signaling function vis-à-vis the Management Board in respect of developments in the market of the relevant product;
  - c. making a contribution to the communication between the members and the cooperative regarding the product or the product group, for the purpose of reinforcing the involvement of members in the cooperative.

##### **Article 7 - Chairman of the FPC and representative in the Advisory Council**

- 7.1 The FPC shall appoint a chairman from among its members. The chairman of the FPC 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 FPC. The chairman 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 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 or her role will be assumed, where appropriate, by another FPC member.
- 7.4 The chairman 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 chairman may be re-appointed three times.
- 7.5 A recommendation for the reappointment of the chairman 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 the duties of chairman. Deliberations on reappointment take place without the parties involved being present.

#### **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 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 or she supports the chairman of the FPC in the effective organization of the FPC (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.

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

- 9.1 In principle, the FPC will meet no more than three times a year. Apart from this, the FPC will meet as often as the chairman and two or more FPC members deem necessary. The meeting will, as a general rule, be held at the offices of Royal FloraHolland, but may also take place elsewhere.
- 9.2 The matters to be dealt with will be prepared by Royal FloraHolland. The FPCs can decide that the preparation of certain matters 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 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 hold a meeting (the agenda and the corresponding documents) will take place in writing or electronically via the FPC secretariat 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 can be translated as 'conceptualization', 'opinion forming', 'advice' and 'assessment'.
- 9.6 In the event of frequent absence, the FPC member concerned will be called to account for this by the chairman and clarification requested. 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 FPC 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 FPC members.

#### **Article 10 - Decision-making**

- 10.1 The FPC 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 FPC member may only be represented at a meeting by another FPC member. An FPC member can only represent one other FPC member. In the event of a tie of votes, the chairman decides.
- 10.2 The FPCs 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 FPC.

### **Article 11 - Induction program and ongoing training and education**

- 11.1 After being appointed, each member of the FPC takes part in an induction program 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;
- 11.2 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.

### **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 will 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 Management Board that the FPC needs in order to be able to carry out its duty as an advisory body.
- 13.2 The Management Board will 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 gains access to information (from another source than the Management Board or the FPC), which is useful to the FPC in order to properly carry out its duties, he or she will make this information available to the chairman of the FPC as soon as possible. The chairman will subsequently inform the entire FPC.

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

### **Article 14 - Relationship with the Management Board**

- 14.1 The Management Board should consult and/or involve the FPCs as described in Article 6.1 of these Regulations.
- 14.2 With respect to the FPCs, 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 FPC.

## **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, 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 chairman profile**

### Person:

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