



**SUPERVISORY BOARD  
REGULATIONS**

**COÖPERATIE ROYAL FLORAHOLLAND U.A.**

Adopted on 28 November 2018

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## ROYAL FLORAHOLLAND SUPERVISORY BOARD REGULATIONS

### 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 24.15 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 Supervisory Board 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 16 April 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 If one of the provisions from these Regulations is not or no longer valid, this does not affect the validity of the other provisions. 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 These Regulations were drawn up in accordance with the NCR Code for cooperative companies (the "Code"). Several best practices for the Supervisory Board and its committees are, among other things, formulated in the Code. Although Royal FloraHolland is not obliged to apply the Code, Royal FloraHolland intends to voluntarily apply the principals and best practice provisions of corporate governance, insofar as these are not yet enshrined within the current structure of Royal FloraHolland.  
Royal FloraHolland has weighed up the principals and best practice provisions, which are represented in the Code, against the control structure of Royal FloraHolland. In the event of conflict with this, a decision has been made to not to apply a principal or best practice.
- 1.5 Whenever speaking of the Management Board in these Regulations, this expressly means the Board of Directors of the cooperative within the meaning of the law, also in accordance with Article 4 of the Articles of Association of Royal FloraHolland.
- 1.6 In these Regulations, the following regulations of the activities to be carried out by the Supervisory Board and appointed committees are included as appendices  
Appendix A: Regulations for the Audit Committee of the Supervisory Board  
Appendix B: Regulations for the Selection and Remuneration Committee of the Supervisory Board,  
Appendix C: Regulations for the Audit Committee of the Supervisory Board  
Appendix D: Profile of the Supervisory Board,  
Appendix E: Retirement schedule of the Supervisory Board  
Appendix F: Royal FloraHolland Competences Model

#### 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 Supervisory Board**

- 3.1 In accordance with Article 24 of the Articles of Association, the Supervisory Board must be composed as such that the members can exercise their duties independently and critically with respect to each other and with respect to the members of the Management Board.
- 3.2 The Supervisory Board consists of at least nine natural persons, of which a least two thirds are appointed from among the circle of members. The circle of members is defined as that which is stipulated in Article 24.2 of the Articles of Association. The Supervisory Board members who are appointed from among the circle of members are called internal Supervisory Board members and Supervisory Board members who are not appointed from among the circle of members are called external Supervisory Board members.
- 3.3 The Supervisory Board will be composed as described in the profile to be partly drawn up by it for that purpose. The current profile of the Supervisory Board is included in Appendix D of these Regulations.
- 3.4 The following requirements must be observed in the composition of the Supervisory Board:
- a. Each of its members must be able to assess the main features of the total policy of Royal FloraHolland and its business.
  - b. Each of its members must fit the profile of Appendix D and by means of his/her participation in the Supervisory Board (in the event of (re)appointment and afterwards), the Supervisory Board must be composed as a whole in accordance with Article 3.4,
  - c. At least one of its members must have gained relevant knowledge and experience in the financial administrative / accounting field with companies listed on the stock exchange or with other large corporate entities.
  - d. Each of the external Supervisory Board members must be independent as referred to in the profile.
  - e. None of its members may hold more than five supervisory board memberships with large corporate entities, be that NVs, BVs and/or foundations, and may not hold more than seven supervisory board memberships in total, whereby a chairmanship counts double. A company is deemed a large company if at least two of the criteria are met in accordance with Article 2:397 of the Dutch Civil Code. The supervisory board membership with Royal FloraHolland is considered a supervisory board membership with a large company.
- 3.5 Each member of the Supervisory Board is obliged to provide the chairman of the Board with the information that is necessary for the determination, and where applicable, updating of his/her:
- a. age;
  - b. profession;
  - c. nationality;
  - d. principal position;
  - e. ancillary positions where relevant for the fulfillment of the duty as Supervisory Board member.

The chairman ensures that this information is published in the Supervisory Board report as referred to in Article 6.3.

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

- 4.1 On the recommendation of the Supervisory Board, the members of the Supervisory Board are appointed by the Members' Council, in accordance with the statutory provisions. The Members' Council makes a recommendation to the Supervisory Board on the candidate to be nominated.

- 4.2 The members of the Supervisory Board are appointed in the manner as provided for in the law and the Articles of Association. The Members' Council, the Management Board and the Works Council can recommend candidates for appointment as Supervisory Board members. The Supervisory Board will inform the Members' Council and the Works Council of the candidate it nominates, indicating name, age, occupation and positions currently or previously held by that candidate where significant to the fulfillment of the duties of the Supervisory Board member. The legal entities with which the candidate is already associated as a Supervisory Board member will also be indicated. The nomination will be motivated.
- 4.3 Members of the Supervisory Board will serve for a period of a maximum of three years, and shall be eligible for reappointment thereafter. A member retiring as a result of the expiration of his or her appointment term is eligible for reappointment no more than two times. If during his/her membership of the Supervisory Board, a Supervisory Board member is appointed chairman or vice-chairman of the Supervisory Board, he/she can be reappointed a maximum of three times.
- 4.4 A recommendation for the reappointment of Supervisory Board members 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/her duty as a Supervisory Board member. Deliberations on reappointment take place without the parties involved being present.
- 4.5 The Supervisory Board shall draw up a retirement schedule in order to prevent, insofar as possible, reappointments taking place simultaneously. Without prejudice to Article 4.6, members of the Supervisory Board will retire in accordance with the retirement schedule. The retirement schedule is attached as Appendix E of these Regulations.
- 4.6 Supervisory Board members are expected to resign in the interim period in the event of failing to perform their duties properly, structural incompatibility of interests or when this is otherwise the opinion of the Supervisory Board.
- 4.7 Notwithstanding that which is determined in these Regulations and the Articles of Association, persons who fulfill such a number of other positions that, in their case and dependent on the nature and scope of those functions, it must be expected that proper performance of their duties as Supervisory Board member is not safeguarded, will not be nominated to the General Member's Meeting in order to be (re)appointed as Supervisory Board member.
- 4.8 Members of the Supervisory Board who, in accordance with Article 20.7 of the Articles of Association, are temporarily appointed to the Management Board of Royal FloraHolland in the event of inability to act and/or absence of all members of the Management Board or the only member of the Management Board, will (temporarily) retire from the Supervisory Board in order to take on the management duties.

## **Article 5 - Remuneration**

- 5.1 The Members' Council grants the Supervisory Board a fixed remuneration. The remuneration of the Supervisory Board 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 Supervisory Board will be reimbursed to the Supervisory Board members. All other costs will only qualify for remuneration, wholly or in part, if arranged by prior consent with the chairman; the chairman will inform the Supervisory Board of this on an annual basis.
- 5.3 The remuneration, reimbursement of expenses and other agreed terms and conditions, including the date on which the remunerations concerned will be made, are adopted by the Members' Council and must be confirmed in writing. The explanation of the Annual Financial Statements shall, in any case, include the information about the level and structure of the remuneration of individual members of the Supervisory Board as prescribed by the law.

- 5.4 Royal FloraHolland shall take out public liability insurance for the benefit of the members of the Supervisory Board to cover costs that are made in connection with civil, criminal and administrative proceedings in which they are involved due to the fact that they are or were a Supervisory Board member of Royal FloraHolland.
- 5.5 The remuneration, which is determined by the Members' Council, will be paid by the cooperative. In so far as Supervisory Board members are required to charge VAT relating to their remuneration, this VAT will also be paid by the cooperative.

## **Allocation of duties and working procedure**

### **Article 6 - Tasks of the Supervisory Board**

- 6.1 The Supervisory Board is charged with overseeing the policy of the Management Board and the general state of affairs at Royal FloraHolland and the affiliated company and advises the Management Board. The Supervisory Board is guided by the interests of Royal FloraHolland and its affiliated company in the performance of its duties. The Board considers the relevant interests of the persons involved with Royal FloraHolland (including the members). The Supervisory Board is also involved in the social aspects of running a business relevant to the company. The Supervisory Board is responsible itself for the quality of its performance.
- 6.2 The duties of the Supervisory Board members shall include:
- a. supervising and (prior or otherwise) monitoring, and advising the Management Board with regard to:
    - (i) the realization of the objectives of Royal FloraHolland;
    - (ii) cooperative matters;
    - (iii) the strategy and the risks connected with the business operations;
    - (iv) the structure and functioning of internal risk control and control systems;
    - (v) the financial reporting process;
    - (vi) the financing of Royal FloraHolland;
    - (vii) the relationship with the members;
    - (viii) the application of the information and communication technology;
    - (ix) the compliance with legislation and regulations and the provisions contained in the Articles of Association; and
    - (x) the social aspects of running a business relevant to the company.
  - b. being responsible for the corporate governance structure of Royal FloraHolland, together with the Management Board;
  - c. countersigning the Annual Financial Statements – by way of approval - together with the annual budget and important capital investments of Royal FloraHolland;
  - d. the appointment of an external accountant for a period of one year each time, in accordance with Article 33.3 of the Articles of Association;
  - e. selecting and appointing the members of the Management Board, determining the remuneration (in accordance with the remuneration policy) and the contractual terms of employment of the members of the Management Board;
  - f. selecting and making a recommendation to the Members' Council with regard to prospective members of the Supervisory Board, in accordance with the provisions contained in the Articles of Association. The Members' Council makes a recommendation to the Supervisory Board on the candidate to be nominated;
  - g. evaluating and assessing of the performance of the Management Board and the Supervisory Board and of the Audit Committee, the Selection and Remuneration Committee and the Cooperative Committee, of its individual members (including an assessment of the profile of the Supervisory Board and the introduction and training program), and other committees established;
  - h. the handling of, and decision-making with regard to reported potential conflicting interests, as referred to in Article 11, between Royal FloraHolland on the one hand and members of

- the Management Board and the external accountant on the other hand;
- i. ensuring compliance with the Code of Conduct referred to in Article 15 as drawn up by the Management Board;
  - j. ensuring compliance with the Competences Model, which is attached as Appendix F to these Regulations and the most recent version of which has been published on the Royal FloraHolland Community;
  - k. functioning as the appeal body for disputes between members and the Management Board; and
  - l. ensuring a decision-making process in accordance with the Royal FloraHolland Articles of Association.
- 6.3 The Supervisory Board will draw up and publish an Annual Report about the performance and the activities of the Supervisory Board and its committees in that fiscal year at the end of the fiscal year. The report will specify in which way the evaluation of the Supervisory Board, the Audit Committee, the Selection and Remuneration Committee, the Cooperative Committee and the individual Supervisory Board members has occurred. The report also contains the information that is referred to in Article 3.5.
- In addition to the details referred to in Article 3.5, the report will specify:
- a. the sex, the date of initial appointment and the current terms of the appointment of each Supervisory Board member;
  - b. the composition of the committees referred to in Article 22.2;
  - c. the details as referred to in Article 10.4; and
  - d. the transactions with a conflicting interest as referred to in Article 11.4.

#### **Article 7 - Chairman, vice-chairman of the Supervisory Board**

- 7.1 The Supervisory Board will appoint a chairman and vice-chairman from among its members. The chairman and the vice-chairman of the Supervisory Board must be internal Supervisory Board members. The appointment of the chairman requires the approval of the Members' Council.
- 7.2 The chairman determines the agenda and conducts the meetings of the Supervisory Board. The vice-chairman fulfills the above-mentioned duties of the chairman during his/her absence. The chairman and the vice-chairman jointly ensure the proper functioning of the Supervisory Board and its committees, are responsible for ensuring an adequate information provision to the Supervisory Board members, ensure that there is sufficient time for the decision-making, and are responsible for the introduction and training program for the Supervisory Board members. In addition, together they are the principal points of contact for the Management Board and the members of the Supervisory Board with regard to the performance of individual members of the Management Board and the Supervisory Board, and initiate the evaluation of the performance of the Supervisory Board and the Management Board.
- 7.3 If it is a matter of the performance of the members of the Management Board, the General Director will be informed. The chairman acts as point of contact for individual Supervisory Board members and members of the Management Board with regard to the performance of the vice-chairman, and the vice-chairman acts as point of contact for individual Supervisory Board members and members of the Management Board with regard to the performance of the chairman.
- 7.4 If an ancillary position of the chairman means there is or could be (the appearance of) a conflict of interest, his/her role will be assumed, where appropriate, by the vice-chairman and in his/her absence, by the most senior-ranking internal Supervisory Board member.

### **Article 8 - Secretary of the Cooperative**

- 8.1 The Supervisory Board is supported by the secretary. The secretary is appointed and dismissed, either on the initiative of the Supervisory Board or otherwise, by the Management Board, following the approval of the Supervisory Board.
- 8.2 The secretary ensures that the correct procedures are followed and that is acted in accordance with the legal and statutory obligations as well as the Code. He/she supports the chairman of the Supervisory Board in the effective organization of the Supervisory Board (information, placing on the agenda, evaluation, training program etc.) and offers support to the committees of the Supervisory Board.
- 8.3 The secretary can delegate his/her duties, or parts of them, to people who work for Royal FloraHolland.

### **Article 9 - Meetings of the Supervisory Board**

- 9.1 The Supervisory Board will in principle meet four times per year, in accordance with a schedule drawn up annually. Apart from this, the Supervisory Board will convene as often as the chairman and two or more of its members deem necessary. The meeting will, as a general rule, be held at the offices of Royal FloraHolland, but may also take place elsewhere. Meetings can also take place by telephone or by means of a video conference, on condition that all participating members can understand each other at the same time. The Supervisory Board also meets if so requested by the chairman.
- 9.2 Meetings of the Supervisory Board are presided over by the chairman. In the absence of the chairman at a meeting, the vice-chairman will act as chairman.
- 9.3 Notice to convene a meeting (the agenda and the corresponding documents) will take place in writing or electronically via the secretary and at least seven days in advance. This period of time can be waived in urgent cases with the agreement of all Supervisory Board members. Insofar as practically possible, the agenda of the subjects to be discussed and the accompanying documents will be supplied to the members of the Supervisory Board and the members of the Management Board no later than six days before the respective meeting.
- 9.4 The chairman determines the order of the meeting and brings the received documents up for discussion.
- 9.5 In the event of frequent absence, the Supervisory Board member concerned is called to account for this by the chairman and requested to provide clarification.
- 9.6 Unless the Supervisory Board decides otherwise, the meetings of the Supervisory Board will be attended by the Management Board, with the exception of the meetings that deal with:
- the assessment of the performance of the Management Board and its individual members and the conclusions that must be attached to this;
  - the assessment of the performance of the Supervisory Board and its individual members and the conclusions that must be attached to this;
  - the desired profile, the composition and competence of the Supervisory Board;
  - the potential conflicting interests of the members of the Management Board and members of the Supervisory Board as referred to in Article 11.1.
- The external accountant of Royal FloraHolland will participate in each meeting of the Supervisory Board in which the examination of the Annual Financial Statements and its adoption are addressed. The external accountant shall receive the financial information that is the basis of the adoption of the annual figures and other interim reports, and is given the opportunity to react to all information.
- 9.7 The secretary of Supervisory Board will draw up the minutes of the meeting or arrange for them to be drawn up. As a general rule, these will be adopted during the next meeting; if, however, all members of the Supervisory Board agree to the content of the minutes, these can



also be adopted earlier. The minutes are signed by the chairman as evidence of their adoption and are sent to the other Supervisory Board members as soon as possible. An extract of the minutes of the Supervisory Board will also be sent to the Management Board, unless the Supervisory Board decides otherwise.

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

- 10.1 The Supervisory Board can only make legally valid decisions during its meeting if the majority of the members are present or represented, on the understanding that members with a conflicting interest, as stated in Article 11 of these Regulations, do not count towards the calculation of this quorum, and if there is an overall majority of votes. A Supervisory Board member may only be represented at a meeting by another Supervisory Board member. A Supervisory Board member can only represent one other Supervisory Board member. In the event of a tie of votes, the chairman decides.
- 10.2 The Supervisory Board can also make decisions outside meetings, provided that the matter in question has been brought to the attention of all members and each of them has taken part in the decision-making process on the understanding that members who have a conflicting interest, as referred to in Article 11, do not participate in the decision-making process. Such decision-making must take place unanimously. The decision that is taken in such a way is laid down in writing or electronically and signed by the chairman, whereby any possible reactions received in writing are attached. The decision is subsequently signed by the secretary in the minutes register and the decision taken is communicated to all members of the Supervisory Board and the members of the Management Board.
- 10.3 The recurring meeting items are, in any case, the budget and the financial results of Royal FloraHolland, important decisions requiring action by the Supervisory Board, the strategy of Royal FloraHolland and changes thereto (e.g. the long-term strategy, capital investments that fall outside the budget of Royal FloraHolland, capital structures for the long-term, setting up new business units, important acquisitions and divestments) and reports from the separate committees of the Supervisory Board.
- 10.4 At least once per year, the Supervisory Board shall discuss:
- a. the performance of the Supervisory Board and its individual members, and the conclusions that must be attached to this;
  - b. the profile referred to in Article 3.3;
  - c. the performance of the Management Board and its individual members, and the conclusions that must be attached to this;
  - d. the induction and training program as referred to in Article 12;
  - e. the strategies and risks connected to the business, and the findings of the assessment by the Management Board of the structure and functioning of the internal risk control and control systems, and any possible significant changes hereto.
- The holding of discussions will be reported in the minutes of the Supervisory Board as referred to in Article 6.3.
- 10.5 The Supervisory Board will decide on the level of the following amounts, as mentioned in the Articles of Association:
- a. the turnover limit per member as referred to in Article 11.1.b of the Articles of Association;
  - b. the penalty as referred to in Article 19.1 of the Articles of Association;
  - c. the penalty or additional tax assessment as referred to in Article 19.4 of the Articles of Association;
  - d. the penalties as referred to in Article 19.6 of the Articles of Association.
- The Supervisory Board ensures that the amounts are declared in an adequate way to the members. Announcement via the Community shall be deemed adequate.

- 10.6 In addition to the decisions mentioned in Article 23.2 of the Articles of Association, the following decisions of the Management Board are subject to the approval of the Supervisory Board, and a provision will be included in the Management Board regulations for this:
- a. the hardship clause as referred to in Article 5.2 of the Articles of Association;
  - b. the assessment of applications for membership as referred to in Article 7.3 and 7.5 of the Articles of Association;
  - c. the exercise of the power to terminate membership as referred to in Article 11.5 of the Articles of Association;
  - d. the exercise of the power to remove from membership as referred to in Article 12.5 of the Articles of Association;
  - e. the exercise of the power to suspend a member as referred to in Article 14.7 of the Articles of Association.

Furthermore, the Management Board needs the prior approval of the Supervisory Board for decisions concerning contracts with suppliers if it involves a value of more than €3 million.

### **Article 11 - Conflict of interests**

- 11.1 A Supervisory Board member immediately reports a (potential) conflict of interest that is of material importance for Royal FloraHolland, and/or for the Supervisory Board member concerned, to the chairman and immediately provides all relevant information about it, including relevant information concerning his/her spouse, registered partner or other life partner, foster child and blood relationship and relationship by marriage up to the second degree. If the chairman has a (potential) conflict of interest that is of material importance for Royal FloraHolland and/or him/herself, he/she shall report this immediately to the vice-chairman. The chairman immediately provides all relevant information, including relevant information concerning his/her spouse, registered partner or other life partner, foster child and blood relationship and relationship by marriage up to the second degree. If the Supervisory Board assesses that there is a conflict of interest, the Supervisory Board member concerned will not participate.
- 11.2 A conflict of interest exists in any case if Royal FloraHolland intends to enter into a transaction:
- a. in which a Supervisory Board member has a material financial interest personally;
  - b. whereby the third party has a family relationship with the Supervisory Board member;
  - c. whereby the Supervisory Board member concerned fulfills a management or supervisory position with the third party.
- 11.3 A Supervisory Board member shall not take part in the discussion and the decision-making process on a subject or transaction whereby he/she has a conflict of interest with Royal FloraHolland. Such a transaction may only be entered into under conditions that are at least in line with normal industry practice. The decisions to enter into such a transaction require the approval of the Supervisory Board.
- 11.4 The chairman of the Supervisory Board ensures that all transactions involving conflict of interest are published in the report referred to in Article 6.3 stating the conflict of interest and the declaration that Articles 11.1, 11.2 and 11.3 have been observed.
- 11.5 The Supervisory Board ensures that each member of the Management Board immediately reports every potential conflict of interest, as referred to in the Management Board Regulations, to the chairman of the Supervisory Board and that all related provisions are observed, on the understanding that an approval necessary for that purpose is granted.

### **Article 12 - Induction program and ongoing training and education**

- 12.1 After being appointed, each member of the Supervisory Board takes part in an induction program drawn up and financed by Royal FloraHolland, during which attention is devoted to:
- a. general financial and legal matters;
  - b. the financial reporting by Royal FloraHolland;

- c. specific aspects that are typical of Royal FloraHolland and its business activities;
- d. the responsibilities of the members of the Supervisory Board.

12.2 The Supervisory Board assesses the areas in which members of the Supervisory Board require further training or education during their term of appointment on an annual basis.

### **Article 13 - Confidentiality**

Each member of the Supervisory Board is required to observe the necessary discretion with regard to all information and documentation received in connection with his/her membership and, as regards confidential information, to maintain confidentiality. Members, and former members, of the Supervisory Board will not disclose confidential information outside of the Supervisory Board 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 14 – Information**

- 14.1 It is the Supervisory Boards, and its individual members', own responsibility to demand all information from the Management Board that the Supervisory Board needs in order to be able to carry out its duties as a supervisory body. If the Supervisory Board considers it necessary, it can obtain information from functionaries and external advisors of Royal FloraHolland. The Management Board shall provide the necessary resources for this purpose. The Supervisory Board may require that functionaries and external advisors of Royal FloraHolland attend its meetings.
- 14.2 The Management Board will provide the Supervisory Board with information about the facts and developments relating to Royal FloraHolland in a timely fashion (and where possible in writing), which the Board requires to properly carry out its duty.
- 14.3 Notwithstanding the above, the Management Board shall provide the Supervisory Board with a budget for the coming year on an annual basis, a recent version of its long-term plans and the main features of the strategic policy, the general and financial risks, the management and control system of Royal FloraHolland and the observance of all relevant legislation and regulations. The Management Board shall also make a statement annually that it has provided the Supervisory Board with all relevant information necessary to properly carry out its duties. These documents shall be provided in a timely fashion so that the Supervisory Board can give its approval no later than December in the current year.
- 14.4 If a member of the Supervisory Board gains access to information (from another source than the Management Board or the Supervisory Board), which is useful to the Supervisory Board in order to properly carry out its duties, he/she will make this information available to the chairman of the Supervisory Board as soon as possible. The chairman will subsequently inform the entire Supervisory Board.

### **Article 15 - Code of Conduct**

The Supervisory Board shall ensure that the Management Board adopts a Code of Conduct, which shall ensure that employees have the opportunity to report alleged irregularities of a general, operational and financial nature within Royal FloraHolland to the chairman of the Management Board or a functionary appointed by him/her without jeopardizing their legal position, or if it concerns a finding concerning the Management Board itself, to the chairman of the Supervisory Board.

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

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

- 16.1 The Members' Council draws up the Members' Council regulations with the approval of the Supervisory Board. The regulations prescribe further rules for the way of working, tasks and responsibilities of the Members' Council.
- 16.2 The Supervisory Board is authorized to convene a meeting of the Members' Council. A 'formal meeting' of the Members' Council according to Article 29.1.d of the Articles of Association, is chaired by the chairman of the Supervisory Board.
- 16.3 The Supervisory Board is responsible for providing the Members' Council with all required information and all information that the Members' Council requires further, unless important interests of Royal FloraHolland or a legal provision or legal rule opposes it. If the Supervisory Board invokes such an exception, it must explain this sufficiently to the Members' Council.
- 16.4 The chair of the Supervisory Board will attend the Members' Council meetings unless he or she is unable to do so.
- 16.5 The Supervisory Board can contribute agenda items for the Members' Council meeting with the Management Board.
- 16.6 On the basis of Article 24.11 of the Articles of Association, the Members' Council has the right to submit a motion of no confidence against a Supervisory Board member or the Supervisory Board. If such a motion is placed on the agenda by the Members' Council on the basis of Article 29.3 of the Articles of Association and is passed, the Supervisory Board must consider the motion submitted and the connected consequences in its next meeting or in an interim meeting, which will in any case lead to the member(s) of the Supervisory Board concerned or the Supervisory Board stepping down. If the motion relates to the whole Supervisory Board, it shall continue to deal with the current issues until the Members' Council has appointed a new Supervisory Board.

### **Article 17 - Relationship with the Members' Meeting**

- 17.1 All Supervisory Board members will attend each Members' Meeting on the basis of Article 31 of the Articles of Association, unless they are prevented.
- 17.2 The chairman of the Supervisory Board chairs the Members' Meeting.

### **Article 18 - Relationship with the Royal FloraHolland Product Committee (FPC)**

The Supervisory Board draws up regulations for the FPCs and can amend these regulations at any time. The regulations specify what the duties and responsibilities of the FPCs are, its composition and the way in which it exercises its duties.

### **Article 19 - Relationship with the Regional Advisory Committees (RAC)**

The Supervisory Board draws up regulations for the RACs and can amend these regulations at any time. The regulations specify what the duties and responsibilities of the RACs are, its composition and the way in which it exercises its duties.

### **Article 20 - Relationship with the Management Board**

- 20.1 The Supervisory Board decides on the appointment, suspension and dismissal of the members of the Management Board. The Selection and Remuneration Committee makes a recommendation to the Supervisory Board on the candidate to be nominated, The chairman and the members of the Management Board shall be appointed by the Supervisory Board for an indefinite period of time, unless otherwise decided at the time of appointment.

- 20.2 On the proposal of the Selection and Remuneration Committee, the Supervisory Board approves the remuneration and the other terms of employment of the members of the Management Board. The Supervisory Board is responsible for the implementation and evaluation of the remuneration set with regard to the members of the Management Board.
- 20.3 The Supervisory Board draws up a profile for the Management Board in consultation with the Management Board, which describes the integrity and the expertise and availability deemed necessary of the members of the Management Board.
- 20.4 The regulations of the Management Board and the mutual division of duties by the members of the Management Board shall be laid down by the Supervisory Board. The Supervisory Board can also lay down guidelines, which will be given due consideration by the Management Board in the exercise of its duties.
- 20.5 In the event of a conflict of interest, as described in the Articles of Association, Royal FloraHolland can be represented by a Supervisory Board member designated by the Supervisory Board for this purpose.

#### **Article 21 - Relationship with the Works Council**

- 21.1 The chairman of the Supervisory Board and the Supervisory Board member with the 'social' profile are mainly responsible for the maintenance and coordination of the contacts with the Works Council. The Supervisory Board member with the social profile will hold consultations at least once annually with the chairman or the Executive Committee of the Works Council.
- 21.2 If the Management Board requires the approval of both the Supervisory Board and a recommendation from the Works Council for a proposal, the proposal will, in principle, first be submitted to the Supervisory Board for approval. If approval is obtained in that case, this will be granted under the condition of a positive or neutral recommendation from the Works Council. Should it be necessary to deviate from this procedure following the assessment of the Management Board, then this is possible.

#### **Committees**

##### **Article 22 - The Supervisory Board and its committees**

- 22.1 The following committees are established by the Supervisory Board:
- a. Audit Committee;
  - b. Selection and Remuneration Committee;
  - c. Cooperative Committee.
- 22.2 In addition, the Supervisory Board can establish one or more other committees from the Board, and confer, among other things, preparatory and advisory duties to be determined in further detail when deciding to establish such a committee.
- 22.3 The Supervisory Board is advised by the Audit Committee, the Selection and Remuneration Committee and the Cooperative Committee with regard to specific duties. The (entire) Supervisory Board remains responsible for a decision, even if this is prepared by the Audit Committee, the Selection and Remuneration Committee or the Cooperative Committee.
- 22.4 The Supervisory Board draws up regulations for both the Audit Committee, the Selection and Remuneration Committee and the Cooperative Committee. The regulations are drawn up in accordance with the principals and best practices provisions as included in the Code. The current regulations are displayed in Appendix A, Appendix B and Appendix C respectively.
- 22.5 The composition of the Audit Committee, Cooperative Committee and the Selection and Remuneration Committee, the number of committee meetings and the most important meeting items will be reported in the Annual Report of the Supervisory Board.

- 22.6 If the Audit Committee, the Selection and Remuneration Committee or the Cooperative Committee is not or no longer established, the provisions included in their related regulations apply for the Supervisory Board itself.
- 22.7 The Supervisory Board shall receive a report on the deliberations and findings of each committee, which form, among other things, the basis for the decisions of the Supervisory Board.

## **Annual Financial Statements and Annual Report**

### **Article 23 - Annual Financial Statements and Annual Report of the Supervisory Board and the external accountant**

- 23.1 The report of the Supervisory Board forms part of the Royal FloraHolland Annual Report. In it, the Supervisory Board reports about the way in which it has fulfilled its supervisory duties and reports on its findings in connection with the Annual Financial Statements submitted to the Members' Council annually, the Annual Report and the details added to that.
- 23.2 The Annual Financial Statements, the Annual Report and the details added to that, the proposal for profit appropriation and the statements of the internal auditor and external accountants will be discussed by the Supervisory Board in its meeting each year within six months from the end of the fiscal year before their publication.
- 23.3 The Annual Financial Statements drawn up will be signed by the Supervisory Board members and the members of the Management Board. If one or more of their signatures are missing, this will be stated indicating the reasons.