



**SUPERVISORY BOARD
AUDIT COMMITTEE
REGULATIONS**

COÖPERATIE ROYAL FLORAHOLLAND U.A.

Adopted on 28 November 2018

Contents

Introduction	3
Article 1 – Status and contents of the regulations	3
Article 2 - Incidental non-compliance, amendment	3
Article 3 - Audit Committee establishment and composition	3
Article 4 - Audit Committee Remuneration	4
Article 5 - Audit committee role.....	4
Article 6 - The chairman of the Audit Committee.....	4
Article 7 – Meetings	4
Article 8 - The appointment, working method and assessment of the external accountant.....	5
Article 9 – Confidentiality	6
Article 10 – Information.....	6
Article 11 – Supervisory Board Regulations conformity	6

AUDIT COMMITTEE REGULATIONS

Introduction

In these regulations (the 'Regulations'), the same definitions and concepts are used as those that apply in the regulations of the Supervisory Board of the Coöperatie Royal FloraHolland U.A. ('Supervisory Board Regulations'), with the exception of references to Regulations, where the regulations in question will be referred to.

Article 1 – Status and contents of the regulations

- 1.1 These Regulations have been drawn up on the basis of Article 23 (16) of the Articles of Association and on the basis of Article 23 (4) of the Supervisory Board Regulations and shall complement the regulations and provisions that are applicable (from time to time) to the Supervisory Board on the basis of Dutch law, the Articles of Association or the Supervisory Board Regulations.
- 1.2 These Regulations were adopted by the Supervisory Board on 28 November 2018.
- 1.3 Wherever these Regulations are in conflict with Dutch law, the Articles of Association or the Supervisory Board Regulations, the law or the Articles of Association or the Supervisory Board Regulations will prevail. Wherever these Regulations are compatible with the Articles of Association and the Supervisory Board Regulations, but in conflict with Dutch law, the latter will prevail. If one of the definitions from these Regulations is not or no longer valid, this will not affect the validity of the other definitions. The Supervisory Board will replace the invalid definitions with valid definitions of which the effect, given the content and purpose, is equivalent to those of the invalid definitions as much as possible.

Article 2 - Incidental non-compliance, amendment

- 2.1 The Supervisory Board can occasionally decide not to apply these Regulations.
- 2.2 The Supervisory Board can decide to amend these Regulations, whether or not on the recommendation of the Audit Committee.

Article 3 - Audit Committee establishment and composition

- 3.1 The Audit Committee is a permanent committee of the Supervisory Board. The members of the Audit Committee are appointed from among the members of the Supervisory Board.
- 3.2 The Audit Committee consists of at least three members, including one external Supervisory Director and two Supervisory Board members. One of the Supervisory Board members should in any case have gained sufficient knowledge and experience in the financial, administrative/accounting field with other legal entities.
- 3.3 The chairman of the Audit Committee is appointed by the Supervisory Board. The Supervisory Board can decide to relieve the chairman of the Audit Committee from his/her duty and to appoint another member of the Audit Committee as chairman.
- 3.4 The Supervisory Board can relieve a member of the Audit Committee as such from his/her duty as member of the Audit Committee.
- 3.5 The membership of the Audit Committee shall end at the moment that the relevant member, for whatever reason, no longer holds the office of Supervisory Board member.
- 3.6 A member of the Audit Committee can decide to step down as member of the Audit Committee without simultaneously stepping down as member of the Supervisory Board.

Article 4 - Audit Committee Remuneration

- 4.1 The Members' Council shall grant the Audit Committee a fixed remuneration. The remuneration of the Supervisory Board is not dependent on the results of the cooperation.
- 4.2 All reasonable costs (such as travel expenses) incurred in connection with the attendance of meetings of the Audit Committee will be reimbursed to the Audit Committee members.
- 4.3 The remuneration and reimbursement of expenses will be determined by the Members' Council and should be confirmed in writing. The explanation of the annual financial statements shall, in any case, contain the information about the level and structure of the remuneration as prescribed by law.

Article 5 - Audit committee role

- 5.1 The Audit Committee advises the Supervisory Board regarding its duties as described in paragraph 2 of this article and prepares the decision-making of the Supervisory Board with regard to:
- a. the correctness and completeness of the financial reporting;
 - b. an adequate internal administrative organization;
 - c. the adequate functioning of internal risk control and control systems;
 - d. the financing of the Cooperative and the accompanying forms of financing;
 - e. the observance of laws, other regulations and codes of conduct (compliance); and
 - f. the nomination for appointment of the external accountant, the working method and assessment of the internal auditor and the external accountant.
- 5.2 The Audit Committee may further detail its duties. These details shall be added as appendix to these Regulations.
- 5.3 The tasks and powers of the Audit Committee and possible further details apply only to those powers that the Supervisory Board has attributed or delegated to it and the Audit Committee may never exercise powers that exceed the powers that the Supervisory Board can exercise.

Article 6 - The chairman of the Audit Committee

- 6.1 The chairman of the Audit Committee has the following responsibilities and is supported in doing so by the secretary of the Committee:
- a. determining the agenda for the meetings of the Audit Committee;
 - b. conducting the meetings of the Audit Committee;
 - c. the proper functioning of the Audit Committee;
 - d. ensuring an adequate feedback by the Audit Committee;
 - e. acting as spokesperson and point of contact for the Supervisory Board and the Management Board.

Article 7 – Meetings

- 7.1 The Audit Committee shall meet as often as two members or the chairman of the Audit Committee deem necessary. The place of the meeting shall be determined by mutual agreement.
- 7.2 Unless the Audit Committee decides otherwise, the Financial Director and the Finance Manager will attend the Audit Committee meetings. The latter will fulfill the role of secretary. The Audit Committee can invite other persons to attend a meeting of the Audit Committee. Furthermore, the Supervisory Board can determine that one of more members of the Supervisory Board, who are not members of the Audit Committee, shall attend one or more meetings as an observer.

- 7.3 The Audit Committee will meet with the external accountant of Royal FloraHolland at least once a year, outside the presence of members of the Management Board and (representatives of) the Internal Audit Department. The external accountant can, as and when necessary, ask the chairman of the Audit Committee if he or she may attend a meeting of the Audit Committee.
- 7.4 Meetings will be called by or on behalf of the chairman of the Audit Committee. If feasible, the announcement and the agenda of the topics to be discussed will be provided to the members of the Audit Committee seven days before the meeting.
- 7.5 Brief minutes of the meeting will be taken by the secretary. The draft minutes must be sent to the members of the Audit Committee no later than fourteen days before the next meeting. In order to keep the Supervisory Board informed during the period between the meetings of the Audit Committee, the draft minutes will also be sent to the other members of the Supervisory Board.
- 7.6 The Audit Committee will only meet if at least the majority of its members are present. If opinions or viewpoints of the Audit Committee are not unanimously held by its members, this will be reported in the minutes (with the relevant dissenting opinion or the dissenting viewpoint).
- 7.7 The Audit Committee can also issue a recommendation outside the meeting, provided that all members of the Audit Committee agree, both with the way in which this was realized and with the content of the recommendation concerned. The chairman of the Audit Committee ensures that the recommendation, which has thus come into effect, is laid down in writing and signed by the members of the Audit Committee.

Article 8 - The appointment, working method and assessment of the external accountant

External accountant

- 8.1 The Audit Committee maintains regular contact with, and the supervision of, the relationship with the external accountant(s), including his or her independence and remuneration, and any possible non-auditing work for the company. The Audit Committee is the first point of contact for the external accountant when he or she wants to bring issues to the attention of the Supervisory Board.
- 8.2 Every year, the Audit Committee, together with the Management Board, sets the scope and approach of the auditing activities of the annual accounts, other activities and the manner of reporting by the external accountant for approval by the Supervisory Board. The external accountant shall be informed of the expectations that exist with regard to the performance of his or her duties.
- 8.3 The Audit Committee ensures that the external auditing accountant receives all financial information on which the determining of the annual accounts is based, together with all other information that the external accountant needs for the execution of his duties, and that he or she is given the opportunity to react to this information.
- 8.4 The Audit Committee initiates and supervises the procedure for the appointment of the external accountant by the Supervisory Board. The appointment proposal to the Supervisory Board will also include that the Members' Council has the right to appoint an external accountant itself (art. 33.3 Articles of Association).
- 8.5 At least once every four years, the Audit Committee, together with the Management Board, will make a thorough assessment of the external accountant's performance in the various entities and capacities in which the external auditing accountant acts. The most important conclusions of this will be shared with the Supervisory Board for the benefit of the assessment of the nomination for appointment of the external

accountant.

Article 9 – Confidentiality

- 9.1 The deliberations of the Audit Committee are confidential.
- 9.2 Insofar as third parties must be informed of the deliberations, this shall occur through or in consultation with the chairman of the Audit Committee.

Article 10 – Information

- 10.1 The members of the Audit Committee are authorized, and each have their own responsibility, to request all the desired information from the Management Board and the external accountant, including specific information, inspection of the administration, further documents etc. of Royal FloraHolland, which they require in order carry out their duties as well as possible. Such a request shall be obtained via the chairman of the Audit Committee by the members of the Audit Committee. The requested information shall be made available as soon as possible.
- 10.2 The members of the Audit Committee are authorized at all times to investigate or instigate an investigation of the information requested in paragraph 1.
- 10.3 The Audit Committee is authorized, as part of its duties, to have the assistance of one or more internal or external experts designated by it.

Article 11 – Supervisory Board Regulations conformity

The provisions of the Supervisory Board Regulations apply for relevant subjects not provided for in these Regulations.