

CORPORATE GOVERNANCE STATEMENT 2016

This corporate governance declaration¹ forms part of the 2016 Report of the Executive Board and explains how the Code is applied by ForFarmers N.V. and how information is provided in accordance with the provisions of Article 10 of the Takeover Directive and Article 3 on disclosure of non-financial information. This declaration also contains information on the key aspects of the internal risk management and control systems associated with ForFarmers' financial reporting process, on how the Annual General Meeting of Shareholders works, and on the composition and functioning of the Executive Board, the Executive Committee, and the Supervisory Board.

The corporate governance of ForFarmers N.V. is determined by the law, the Articles of Association and the pertinent regulations. The regulations are established on the basis of the current Dutch Corporate Governance Code (the 'Code')².

The Executive Board and the Supervisory Board are responsible for the Company's corporate governance structure. On an annual basis, they discuss this structure and/or the aspects thereof that require attention at the time. The Executive Board and the Supervisory Board are of the opinion that, partly for historical reasons, deviations or qualifications of some individual provisions of the Code by ForFarmers are justified. These deviations or qualifications are explained below.

Executive Board and Executive Committee

As stated in the Executive Board Regulations, the 'Executive Board' is understood to mean the statutory management (under the law and Articles of Association) of the Company ('Executive Board'). The Executive Board, together with the other Directors (who are not executive pursuant to the Articles of Association) specified on the Company's website, acts under the name of the 'Executive Committee of ForFarmers'. The Executive Board Regulations are published on the Company's website.

The Supervisory Board and the Executive Board share the principle that the Executive Board is responsible for

achieving the Company's objectives, for strategy with the associated risk profile, for developing results and for undertaking relevant corporate social responsibility aspects. The Executive Committee also steers the operational management. The Executive Committee is periodically evaluated by the Supervisory Board. The Executive Board is accountable to the Supervisory Board and the General Meeting of Shareholders.

In the fulfilment of its tasks, the Executive Board focuses on the interests of the Company and its associated enterprise and weighs up the relevant interests of the people involved in the Company. The Executive Board promptly provides the Supervisory Board with all information necessary for the exercise of the Supervisory Board's tasks. The Executive Board is responsible for compliance with all relevant laws and regulations, the control of risks associated with the business activities, and for the Company's financing. The Executive Board reports on this aspect and discusses the internal risk management and control systems with the Audit Committee and the Supervisory Board.

The Executive Board is composed of one or more members. The number of members of the Executive Board is determined by the Supervisory Board, which also additionally appoints a member of the Executive Board as CEO. The Executive Board of ForFarmers N.V. is currently composed of three members. One of the members is the CFO. A member of the Executive Board is appointed for a maximum period of four years. An appointment can be renewed for an unlimited number of times, each time for a maximum of four years.

The Company has a Code of Conduct and a Whistle-blower Policy, both of which are published on the Company's website.

In the Report of the Executive Board (chapter on Risk Management) the Executive Board provides a description of the main risks associated with the Company's strategy, the set-up and operation of the internal risk management and control systems relating to the main risks in the financial year. In addition, the main shortcomings in the

internal risk management and control systems identified over the financial year are described as well as any significant changes made and any important improvements planned. This always includes an assessment of the main risks relating to financial objectives and the associated control measures. ForFarmers has a very low risk acceptance level for risks that could have a substantial influence on the reliability of ForFarmers' information, financial or otherwise. A declaration of financial reporting risks is included in the Report of the Executive Board as referred to in provision II.1.5 of the Code.

Members of the Executive Board are appointed by the General Meeting. A member of the Executive Board may only be appointed by way of a binding nomination by the Supervisory Board. The General Meeting of Shareholders can however retract the binding nature of a decision with an absolute majority of votes in a meeting in which at least a third of the issued share capital is represented. If the binding nature of a nomination is retracted, the Supervisory Board proceeds with a new nomination. The General Meeting of Shareholders can suspend or dismiss members of the Executive Board by way of a decision made by absolute majority in a meeting in which at least a third of the issued share capital is represented, unless the decision is made at the proposal of the Supervisory Board, in which case the decision may be made irrespective of the issued share capital represented at the meeting.

The main aspects of agreements with the members of the Executive Board are, in accordance with the Code, published on the Company's website. The provisions of the Code relating to the level and breakdown of the Executive Board members' remuneration and the publication thereof are endorsed. The Supervisory Board provides a proposal, prepared by the Remuneration Committee, for the Company's remuneration policy. This remuneration policy is presented for approval to the General Meeting. The Supervisory Board moreover draws up a Remuneration Report every year. The Remuneration Report reports on the manner in which the remuneration policy has been put into practice. The total remuneration of the members of the Executive Board is also stated in the report, broken down into its various components, and it also includes an overview of the remuneration policy

established by the shareholders.

The Remuneration Report is included, as part of the report of the Supervisory Board, in the Report of the Executive Board, and published on the Company's website. The Supervisory Board determines the remuneration of the individual members of the Executive Board on the proposal of the Remuneration Committee, in line with the remuneration policy set by the General Meeting.

The variable part of the remuneration of members of the Executive Board is linked to predetermined, measurable and suggestible targets, and has both a short-term and a long-term component. The Supervisory Board analyses the potential outcomes of the variable remuneration components and the consequences thereof for the remuneration of the members of the Executive Board. The Supervisory Board establishes the level and structure of this remuneration using scenario analyses with due regard to the other levels of remuneration within the Company. For the variable part of the remuneration, financial and non-financial targets are set every year by the Supervisory Board. The remuneration policy is regularly tested; changes to the policy are presented for approval to the General Meeting.

In the information to be provided on variable remuneration in the Remuneration Report, the Company strives to achieve the right balance between transparency and price and/or competitiveness considerations. The Supervisory Board has the power to adjust the variable remuneration if it is allocated on the basis of inaccurate information, financial or otherwise, and the Company is entitled to claw back that variable remuneration or part thereof from the members of the Executive Board if it is allocated on the basis of inaccurate information, financial or otherwise.

The Supervisory Board has the authority to adjust the level of the variable component of the remuneration of members of the Executive Board, the allocation of which was dependent, in whole or in part, on attaining certain targets or on special circumstances, to a suitable level if payment thereof would be unfair or unreasonable.

With due regard to the following provisions under 'Deviations from the Code', members of the Executive Board receive a maximum of one year's fixed salary in the event of early dismissal by the Company., The same

applies in the event that a member of the Executive Board is not eligible for reappointment. If that maximum of one year's fixed salary for a member of the Executive Board who is dismissed during his/her first term of office is clearly unreasonable in the opinion of the Supervisory Board, this Director shall be entitled to compensation for dismissal, of maximum of two years' fixed salary. The Supervisory Board is entitled not to grant such a compensation or to set it at a lower amount, if the Supervisory Board is of the opinion that the reasons for dismissal would make the granting of compensation of one year's fixed salary unacceptable based on criteria of fairness and reasonableness.

The principles and best practice provisions relating to conflicts of interest are observed. A director does not take part in the discussion and the decision-making process relating to a subject or transaction in which he/she has a conflict of interest. The Executive Board's regulation includes a regulation on the way in which potential conflicts of interest should be handled.

The Executive Board was designated by the General Meeting of Shareholders of 15 April 2016 as the competent body, by approval of the Supervisory Board, to proceed with issuing and/or granting rights to subscribe to shares. This designation is limited in time to eighteen months, calculated from the execution of the deed of amendment to the Articles of Association on 23 May 2016. This designation is further limited in scale as regards ordinary shares to 10% of the issued capital, plus an extra 10% in the case of mergers, acquisitions or strategic partnerships. As regards preference shares, the designation applies for such a number of shares as are included, from time to time, in the registered capital of the Company. The designation as regards preference shares was requested in order to enable the Company to comply with the obligations under the call-option agreement with Stichting Continuïteit ForFarmers [ForFarmers Continuity Foundation]. The General Meeting of Shareholders of 15 April 2016 furthermore granted an authorisation for a period of eighteen months, to the Executive Board to, under approval from the Supervisory Board, purchase shares in the Company within the limits permitted by the law and the articles of association. The General Meeting of Shareholders is in principle asked on an annual basis to

make the aforementioned designations and to grant the aforementioned authorisations.

Supervisory Board

The Supervisory Board is composed of six natural persons, all of whom are presented on the website of the Company. The Supervisory Board is tasked with supervising the policy of the Executive Board as well as the general affairs of the Company and its associated enterprise. The Supervisory Board furthermore advises the Executive Board. In the fulfilment of its tasks, the Supervisory Board focuses on the interests of the Company and the associated enterprise and weighs up the relevant interests of the people involved in the business. The Supervisory Board also observes the corporate social responsibility aspects relevant to the Company. With due regard to the following provisions under *'Deviations from the Code'*, the principles and best practices relating to the Supervisory Board are endorsed.

ForFarmers does not have a one-tier board. The Supervisory Board has three fixed committees, i.e. an Audit Committee, a Remuneration Committee, and a Selection and Appointment Committee. The regulation and composition of these committees is published on the Company's website. The committees always report on their meetings to the Supervisory Board.

The Supervisory Board meets with the CEO and CFO as representatives of the Executive Board every year in accordance with a set schedule. The meetings in which the half-year reports, annual reports, strategy and budgets are discussed are attended by all members of the ForFarmers Executive Committee. If necessary, additional meetings are planned in the interim. The Supervisory Board meets at least once a year without the presence of the Executive Board.

The Supervisory Board discusses, in its periodic meetings with the members of the Executive Board, inter alia, the strategy and main risks associated with the Company and the outcome of assessments by the Executive Board as to the design and operation of the internal risk management and control systems, as well as significant changes thereto. A report is made of all discussions held in the Supervisory Board's report. A Supervisory Board

Regulation applies for the Supervisory Board and a Profile, both of which are published on the Company's website.

The operation of the Supervisory Board and its relationship with the Executive Board, shareholders and works council are all further explained in the Supervisory Board Regulation. The Profile includes the scale and composition of the Supervisory Board, bearing in mind the nature of the Company, its activities and the desired expertise and background of the members of the Supervisory Board. The Profile additionally goes into further detail as to the relevant aspects of diversity in the composition of the Supervisory Board.

The Supervisory Board discusses at least once a year, without the presence of the Executive Committee, its own operation as a collective and that of the individual members of the Supervisory Board, and the conclusions that should be drawn therefrom. The desired profile, composition and competence of the Supervisory Board is also discussed. An external expert is periodically called upon to assist in the self-evaluation process. The Supervisory Board also discusses at least twice a year, without the presence of the Executive Committee, both the operation of the Executive Committee as a team and that of the individual Directors, and the conclusions that should be drawn therefrom.

Members of the Supervisory Board are appointed by the General Meeting of Shareholders for a maximum period of four years. A member of the Supervisory Board may only be appointed by the General Meeting of Shareholders by way of a binding nomination by the Supervisory Board. The General Meeting of Shareholders can however retract the binding nature of a decision with an absolute majority of votes in a meeting in which at least a third of the issued share capital is represented. If the binding nature of a nomination is retracted, the Supervisory Board proceeds with a new nomination.

If Coöperatie FromFarmers U.A. may, in its capacity as priority shareholder, on the most recent reference date of 1 January of any calendar year, for more than fifty per cent (50%) of the total of votes to be cast for ordinary shares:

1. exercise the voting right on shares held by the priority shareholder (irrespective of whether the priority shareholder grants or has granted a proxy for the

exercise of that voting right, or accepts or has accepted voting instructions); and/or

2. give voting instructions on the manner of exercise of the voting right that is associated with the ordinary shares held by Stichting Beheer- en Administratiekantoor ForFarmers [ForFarmers Trust Office Foundation] in accordance with the administrative conditions,

the Supervisory Board will nominate a person recommended by the priority shareholder for four of the six members of the Supervisory Board, unless the Supervisory Board disputes the recommendation because it expects the recommended person to be unsuitable to fulfil the task of member of the Supervisory Board or the Supervisory Board would not be properly composed as a result of the appointment in accordance with the recommendation. In other cases, the aforementioned priority shareholder has the right of recommendation for three of the six members of the Supervisory Board. The General Meeting may at any time suspend or dismiss a member of the Supervisory Board. The General Meeting of Shareholders may suspend or dismiss members of the Supervisory Board by way of a decision made by absolute majority in a meeting in which at least a third of the issued share capital is represented, unless the decision is made at the proposal of the Supervisory Board, in which case the decision may be made irrespective of the issued share capital represented at the meeting.

If Coöperatie FromFarmers U.A., in its capacity of priority shareholder, fulfils the condition stated in the previous paragraph, the priority shareholder shall appoint a member of the Supervisory Board as Chairman, after consultation with the Supervisory Board. In other cases, the Supervisory Board shall appoint a member of the Supervisory Board as Chairman, after consultation with the priority share holder. The foregoing two sentences apply *mutatis mutandis* to the dismissal of the Chairman, it being understood that the dismissed Chairman shall continue his or her term of office as member of the Supervisory Board without the title of Chairman.

As regards the independence of the members of the Supervisory Board as referred to in best practice provision III.2.1, reference shall be made to the provisions as follows under *Deviations from the Code*. The principles and best practices relating to conflicts of interest are

observed. The Supervisory Board's Regulation includes a regulation on the way in which potential conflicts of interest should be handled.

The Company has set up rules relating to the possession of and transactions in securities by members of the Supervisory Board and members of the Executive Board. These rules are further explained in the Supervisory Board Regulation and the Executive Board Regulation respectively.

Shareholders

With due regard to the following provisions under '*Deviations from the Code*', the principles and best practices relating to the (General Meeting of) Shareholders are observed.

The share capital of the Company is € 5,000,000.01 divided into:

- 250 million ordinary shares (of which 106,261,040 are issued, and a part of which are in depositary receipts);
- 250 million preference shares (of which none are issued);
- 1 priority share (which is issued),

each with a face value of €0.01. ForFarmers has no provisions that restrict voting rights. Each share, irrespective of the type, grants the right to cast one vote in the General Meeting. The Articles of Association of the Company contain the provisions that apply to registering to be entitled to vote or attend a meeting of shareholders.

The ordinary shares of ForFarmers N.V. are listed on Euronext Amsterdam. Furthermore, depositary receipts are issued with the cooperation of the Company. The management of Stichting Beheer- en Administratiekantoor ForFarmers (hereinafter: the 'Trust Office Foundation'), operates independently of the Company. The Trust Office Foundation follows the voting instructions given by Coöperatie FromFarmers U.A. in accordance with the provisions of Article 8.4 of the Trust terms & conditions. The Trust Office Foundation exercises voting rights and grants proxy votes with due regard to the following provisions under *Deviations from the Code*. The articles of association, trust terms & conditions and the report of the ForFarmers Trust Office Foundation are on

the Company's website. Members of Coöperatie FromFarmers U.A. can hold a shareholding account at the aforementioned Cooperative. Coöperatie FromFarmers U.A. grants proxy votes to the holders of a shareholding account to exercise voting and meeting rights at the General Meeting of Shareholders of the Company with due regard to the provisions in the articles of association of the aforementioned Cooperative.

The Company has drawn up a Policy on bilateral contacts with Company shareholders, pursuant to best practice provision IV.3.13, which is published on its website. As stated in the aforementioned policy, the relationship between the Company and Coöperatie FromFarmers U.A., is such that, partly for historical reasons, additional agreements are authorised in this relationship. These agreements are laid down in the Relationship Agreement and are on the Company's website.

The Executive Board, or, where applicable, the Supervisory Board shall, with due regard to the aforementioned Policy on bilateral contacts, inform all shareholders and other parties on the financial markets at the same time on circumstances that could have an influence on the share price. Analyst meetings and press conferences shall be announced in advance on the Company's website and can be followed by all shareholders by way of a (audio) webcast. Analyst presentations and presentations during the General Meeting of Shareholders shall be placed on the Company's website after the meeting in question. Analyst meetings, presentations to (institutional) investors and one-on-one meetings with these investors shall not take place shortly before publication of results (i.e. the full year and half-year reports and the trading updates). If price-sensitive information is provided, or the answers to questions posed by shareholders have led to the issuance of price-sensitive information, this information shall be made public forthwith.

The Supervisory Board and the Executive Board consider it very important that as many shareholders as possible take part in the decision-making process in shareholder meetings. The Company supports this, inter alia by facilitating the possibility for shareholders to issue a proxy with voting instructions, if necessary to an independent third party. Convocation, the agenda and documentation to

be covered for shareholder meetings shall be published promptly and placed on the Company's website in accordance with the legal provisions and those of the Articles of Association. The agenda shall state which points for the agenda are to be discussed and which are to be voted on.

Any decisions of the Executive Board regarding an important change to the identity or nature of the Company or enterprise are subject to approval by the General Meeting of Shareholders, including in any event:

1. transfer of the enterprise or practically all of the enterprise to a third party;
2. entering into or breaking off a long-term partnership of the Company or a subsidiary thereof with another legal entity or company, or as fully liable partner in a limited partnership or general partnership, if such partnership or its termination represents a fundamental change to the Company;
3. taking or disposing of a participating interest in the capital of a company to a value of at least a third of the amount of the Company's equity according to the balance sheet with explanatory notes or, in the event the Company draws up consolidated balance sheets, according to the consolidated balance sheet with explanatory notes, according to the most recently adopted annual accounts of the Company, or any of its subsidiaries.

The priority share is held by Coöperatie FromFarmers U.A., with the proviso that and insofar as that Coöperatie FromFarmers U.A. can cast at least 20% of the total votes on ordinary shares, based on the reference date of 1 January of every calendar year, on:

1. exercise the voting right on shares that the Coöperatie FromFarmers U.A. holds (irrespective of whether that Cooperative grants or has granted proxy for the exercise of that voting right or accepts or has accepted voting instructions); and/or
2. give voting instructions on the manner of exercise of the voting right that is associated with ordinary shares held by the Trust Office Foundation in accordance with the trust terms & conditions.

The decisions of the Executive Board regarding the following are subject to the approval of the priority share

holder:

1. moving the company's head office outside the east of the Netherlands (Gelderland and Overijssel);
2. an important change to the identity or nature of the Company or its enterprise as a result of (i) transfer of the enterprise or practically all of the enterprise to a third party or (ii) entering into or breaking off a long-term partnership of the Company or a subsidiary thereof with another legal entity or company, or as fully liable partner in a limited partnership or general partnership, if such partnership or its termination represents a fundamental change to the Company;
3. taking or disposing of a participating interest in the capital of a company to a value of at least a third of the amount of the Company's equity according to the balance sheet with explanatory notes or, in the event the Company draws up consolidated balance sheets, according to the consolidated balance sheet with explanatory notes, according to the most recently adopted annual accounts of the Company, or any of its subsidiaries.

No special control rights are associated with the ordinary or preference shares into which the company's share capital is divided.

If a serious private offer for a business activity or a subsidiary of the business, to a value of at least a third of total assets as represented on the consolidated balance sheet, is made public, the Executive Board in consultation with the Supervisory Board shall publish, as quickly as possible, its opinion as regards the offer, as well as the reasons for this opinion.

A decision to amend the Articles of Association of the Company may be made by the General Meeting of Shareholders by a simple majority of votes at the proposal of the Executive Board, subject to approval by the Supervisory Board. Such a decision may only be made by the General Meeting of Shareholders with prior or simultaneous approval from the priority shareholder. The same applies for decisions regarding entering into a merger or division. As regards proposing amendments to the Articles of Association, ForFarmers shall apply the principle that amendments to the articles of association imposed by law shall not be proposed to the General

Meeting along with amendments to the articles of association that bear absolutely not connection therewith. This principle can be derogated from if dealing with these separately would lead to unnecessarily complicated formulations of text proposals or to an excessively large number of items to be voted on.

Holders of meeting rights have a right to place items on the agenda for shareholder meetings. An item to be handled that is put forward in writing by one or more holders of meetings rights, who individually or jointly represent at least three hundredths of the issued share capital of the Company, shall be included in the convocation or announced in the same way if the Company has received the request or proposal for a decision including its reasons, no later than on the sixtieth day prior to that General Meeting. In addition, holders of meeting rights who jointly represent at least a tenth of the issued share capital of the Company, can convoke a shareholder meeting.

Members of Coöperatie FromFarmers U.A. who can prove that a shareholding account is held in their name within the aforementioned Cooperative, shall in principle be admitted to the General Meeting of Shareholders.

The General Meeting of Shareholders is asked every year to designate the Executive Board as the competent body, subject to the approval of the Supervisory Board, in order to proceed with issuance of and/or granting of rights to acquire ordinary shares. This designation is limited in time to eighteen months after the date of the meeting which proceeds with the said designation. This designation is further limited in scale as regards ordinary shares to 10% of the issued share capital, plus an extra 10% in the case of mergers, acquisitions or strategic partnerships. The designation as regards preference shares is requested in order to enable the Company to comply with the obligations under the call-option agreement with the Stichting Continuïteit ForFarmers [ForFarmers Continuity Foundation]. The General Meeting of Shareholders is also asked every year to designate the Executive Board as the competent body, subject to the approval of the Supervisory Board, in order to limit or exclude preference rights for the issuance/granting of rights to acquire shares by virtue of the delegation of powers as described above. The General Meeting of Shareholders is additionally asked

every year to issue an authorisation to the Executive Board for a period of eighteen months, under approval from the Supervisory Board, to purchase shares in the Company within the limits permitted by the law and the articles of association. Every request for granting of the aforementioned delegation of powers and authorisation shall be put forward separately to shareholders. As regards preference shares, the Executive Board was designated by the General Meeting of Shareholders of 15 April 2016, as the competent body – with approval of the Supervisory Board – to issue preference shares and to grant rights to subscribe for preference shares for such number of shares as shall from time to time be included in the authorised share capital of the Company. The designation as regards preference shares was requested in order to enable the Executive Board to conclude the call option agreement with the Continuity Foundation and to comply with the obligations pursuant to the said agreement.

Minutes of shareholder meetings shall be provided to the shareholders as provided for in the Code. The results of votes for each of the points of the agenda shall be published on the Company's website within fifteen calendar days after the end of a shareholder meeting.

Protective measures

The Company has entered into a call-option agreement with regard to preference shares with Stichting Continuïteit ForFarmers (ForFarmers Continuity Foundation). This Foundation was established to safeguard the identity, strategy, independence and continuity of the enterprise steered by the Company. Stichting Continuïteit ForFarmers is fully independent and has independent management.

Furthermore, Coöperatie FromFarmers U.A. holds a priority share to which rights are associated as provided for in the Company's Articles of Association and under *Supervisory Board and Shareholders*.

Financial reporting and role of the auditor

With due regard to the following provisions under '*Deviations from the Code*', the principles and best practice

provisions relating to financial reporting are observed. The Executive Board is responsible for the quality and completeness of published financial information. The Supervisory Board oversees that the Executive Board fulfils this responsibility.

The principles and best practice provisions relating to the role, appointment, remuneration, and evaluation of the work of the external auditor are also observed. The external auditor shall attend the Annual General Meeting of Shareholders in order to answer any questions from shareholders on the annual accounts. The Audit committee is, inter alia, responsible for supervising management as regards the financial reporting process and the relationship with the external auditor. The Audit committee communicates with the external auditor as often as it deems necessary, and at least once a year, without the presence of the Executive Board.

The Company's external auditor is present during discussions on the Report of the Executive Board, financial statements and the outcomes of the annual accounts as well as during discussions on the half-year reports and the outcomes of the interim review. The external auditor reports his/her findings as regards the examination of the annual accounts both to the Executive Board and to the Supervisory Board. The external auditor receives the financial information to be used as the basis for establishing the half-yearly financial information and other interim financial information, and is put in a position so as to be able to respond to all information.

The Company shall always submit to shareholders any substantial changes in the main aspects of the corporate governance structure for deliberation.

Deviations from the Code

II.2.8 Compensation in the case of dismissal of an executive board member

The current contract with Mr Knoop (CEO) runs until the AGM in 2018. If the contract with the CEO is terminated by the Company, he shall be paid until the end of the contract. A subsequent contract shall in principle be entered into for four years, and shall include the provision that in the case of termination by the Company, a maximum of one year's fixed salary shall be paid out, in accordance with the Code.

III.2.1 Independence of Members of the Supervisory Board

The Supervisory Board does not consider members of the Supervisory Board who are also directors of Coöperatie FromFarmers U.A., i.e. Mr Eggink and Mr Hulshof, to be independent. In relation hereto, Article 4.4 d of the Regulation of the Supervisory Board includes the provision that each member of the Supervisory Board, with the exception of a maximum of two persons, must be independent as referred to in Article 4.5 of that regulation. This is further explained in the Company's annual report.

III.3.5 Maximum term of appointment for members of the Supervisory Board

The current Chairman of the Supervisory Board was appointed in 2014 for the fourth time for a term of four years (his term as a member of the Supervisory Board of Coöperatie FromFarmers U.A. included). His term of office shall end at the latest in 2018. The Regulation of the Supervisory Board is in agreement with this.

IV.2.5 Voting rights of the Trust Office Foundation

Insofar as no voting rights have been requested for the shares held by the Trust Office Foundation and no voting instructions have been given by Coöperatie FromFarmers U.A. in accordance with the provisions of Article 8 of the Trust terms & conditions, the Trust Office Foundation shall determine the manner of exercise of the voting rights associated with these shares as it sees fit, with the proviso that the Foundation shall primarily bear in mind the interests of the holders of depositary receipts and shall take into account the interests of the Company and its affiliated enterprise.

IV.2.8 Granting of proxy votes by the Trust Office Foundation

Only holders of depositary receipts who are also employees of ForFarmers or members of Coöperatie FromFarmers U.A. may apply for voting rights as referred to in the Trust Terms & Conditions of the Trust Office Foundation. Other holders of depositary receipts may not apply for voting rights. Only Coöperatie FromFarmers U.A. may issue binding voting instructions for the shares held by the Foundation (and for which voting rights have not been requested). Holders of depositary receipts may not issue binding voting instructions. Furthermore, restrictions apply as provided for in the aforementioned Trust terms & conditions.

Decision on article 10 of the takeover directive

Pursuant to the provisions of Article 1, first paragraph, of the Decision on Article 10 of the Takeover Directive, the following information is provided and explained in so far as this has not been done previously.

Capital structure - dividends

With due regard to Article 36.1 of the Company's Articles of Association, the profits from the Company's annual accounts over the course of a financial year, shall be allocated as follows and in the following order:

1. insofar as preference shares have been withdrawn without full payment of the distribution described in Article 12.2 section b. of the articles of association and without such a shortfall subsequently being fully paid up as described in Article 38.1 or Article 38.2 of the articles of association, an amount equalling such a shortfall or remaining shortfall shall be paid out to those who held preference shares at the time at which the withdrawal came into force;
2. Insofar as any Preference Distribution (or part thereof) for previous financial years has not yet been fully paid up as described in Article 38.1 or Article 38.2 of the articles of association, an amount totalling the same as such shortfall or remaining shortfall shall be paid out on the preference shares;
3. the Preference Distribution for the financial year to which the financial statements refer shall be paid up on the preference shares;
4. the Executive Committee determines, with approval from the Supervisory Board, which part of the remaining profit is to be included in the Company's reserves;
5. from the remaining profits, an amount totalling the same as the face value of the priority share shall be paid out on the priority share; and
6. with due regard to Article 32 of the articles of association, the profits remaining after that shall be made available to the General Meeting for paying out on the ordinary shares.

Insofar as the distributions stated in Article 38.1, sections a to c (or any part thereof) of the Articles of association

cannot be paid out from the profits stated in the financial statements, such a shortfall is paid out from the Company's reserves with due regard to Articles 36.1 and 36.2 of the articles of association.

Profit distributions occur, with due regard to Article 36.1, after the establishment of the financial statements by way of which they are allowed.

Share transfer restrictions

The Company applies no restrictions, either by way of the Articles of Association or contract, to the transfer of shares, except for the block to the transfer of preference shares or the priority share, and the quality requirements that apply as regards the priority share. Article 15 of the Company's Articles of association determines that approval from the Executive Board is required before a transfer of preference shares or the priority share. The holder of the priority share may be only (i) the Company itself, (ii) a cooperative whose members, in the opinion of the Executive Board, primarily carry out activity in the agricultural sector, including Coöperatie FromFarmers U.A., and which has voting rights or can issue voting instructions for at least 20% as referred to in Article 5.1, b) of the Articles of Association or (iii) a party to be designated in writing by the Executive Board.

Depository receipts of capital shares in the Company may only be transferred by way of a deed drawn up for that purpose between the parties as well as acknowledgment in writing by the ForFarmers Trust Office Foundation, after the previous approval in writing from the management of the said Trust Office Foundation and the Company. The management of the Trust Office Foundation may only grant such an approval to the delivery of depository receipts if the delivery occurs in connection with the recovery of a pledge by virtue of Article 3:248 of the Dutch Civil Code juncto Article 3:250 or 3:251 of the Dutch Civil Code. The previous sentence does not apply in the case of the delivery of depository receipts:

1. for the purpose of distribution of marital property pursuant to a divorce, to a dissolution of a registered partnership in general community of property, or to an inheritance, to one or more participants in that community or inheritance; or
2. within the same combination between the legal or

natural person who forms part of that combination, as stated in the trust terms & conditions of the aforementioned Trust Office Foundation.

3. Withdrawal of the depositary receipt (or conversion into ordinary shares), can take place through the trading platform as operated by F. van Lanschot Bankiers, always with due regard to the trust terms & conditions. A similar rule applies for the transfer of a shareholding account (or part thereof) held by a member of the Coöperatie FromFarmers U.A. This rule is described in the articles of association of Coöperatie FromFarmers U.A. Conversion of a shareholding account or part thereof into ordinary shares or depositary receipts thereof may take place through the trading platform operated by F. van Lanschot Bankiers, always with due regard to the articles of association of Coöperatie FromFarmers U.A.

Substantial holdings

On 31 December 2016 the following shareholders with a substantial participating interest (>3%) are registered as follows with the AFM (authority financial markets), in accordance with the notification duty pursuant to the Dutch Financial Supervision Act (Wft). These notifications were made during 2016, as of 24 May 2016, the day on which the ForFarmers share became listed on Euronext Amsterdam.

Shareholders	Interest
Coöperatie FromFarmers U.A. (direct and indirect)	58.01%
Stichting Beheer- en Administratiekantoor ForFarmers	14.36%
APG Asset Management N.V.	6.71%
D. Lindenberg (Blikkenburg B.V.)	5.23%

Employee participation plan

The Company operates an employee participation plan for senior management (including members of the Executive Committee) and an employee participation plan for other staff. Staff must in principle be invited on an annual basis to take part in the participation plan that applies to them.

Participants in the participation plan for senior management may purchase ordinary shares or depositary receipts thereof on an annual basis for an amount no

higher than 70% of the gross amount of the short-term bonus they are set to receive in that year. For ordinary shares or depositary receipts thereof received as part of this participation plan, a lock-up period of three years applies as well as a discount of 20% on the standard acquisition price which is granted in the form of an allowance of additional ordinary shares or depositary receipts thereof. This rule was approved by the General Meeting of Shareholders of 15 April 2016, although only insofar as it concerns members of the Executive Board.

Participants in the participation plan for other staff may purchase ordinary shares or depositary receipts thereof on an annual basis for one of the following amounts: €1,000, €2,000, €3,000, €4,000 or €5,000. For ordinary shares or depositary receipts thereof received as part of this participation plan, a lock-up period of three years applies as well as a discount of 13.5% on the standard acquisition price which is granted in the form of an allowance of additional ordinary shares or depositary receipts thereof.

Participation in an employee participation plan is at the discretion of each individual member of staff. The Supervisory Board specifies each year whether the employee participation plan can be put into practice.

Shareholder agreements

Except for the restrictions that apply for ordinary shares or depositary receipts thereof acquired as part of an employee participation plan, the Company is not aware of any agreements in which a shareholder is involved and which could lead to a restriction to the transfer of ordinary shares or depositary receipts thereof or to the restriction of the voting right.

Provisions relating to a change of control rights in important agreements

The € 300 million credit facility that the Company has entered into with banks includes a change-of-control clause. It states that the banks that form part of the facility must be informed of any change of control. In such a case, the banks have the option of asking for early redemption. Change-of-control clauses may also appear in agreements or cooperation agreements to which the Company or its subsidiaries are a party.

Change-of-control clauses in employment contracts or contractual agreements

There are no agreements with members of the Executive Board or employees that provide for compensation in the case of dismissal following a public bid.

Decision on publication of non-financial information

Pursuant to the provisions of Article 3 of the Decision on publication of non-financial information, the following information is provided and explained.

Social policy

The human resource (HR) policy of ForFarmers is focused on attracting, developing and retaining the right people. For the ongoing development of the Company, ForFarmers is dedicated to learning and applying best practices. As a result, the effectiveness, efficiency and vitality of the Company and staff is improved, in which ForFarmers strives to strike a balance between the needs of the Company and those of its employees. As provided for in the Code of Conduct, ForFarmers is an equal opportunities employer. ForFarmers does not tolerate any discrimination and ensures, inter alia by way of the HR annual cycle, that business agreements are based on relevant qualifications, merits, performance and other work-related factors. ForFarmers devotes a lot of attention to creating a safe workplace and good working conditions.

Environment and respect of human rights

Sustainability is part and parcel of ForFarmers' business and core values. ForFarmers is careful with natural resources by proactively promoting sustainable feed production and animal welfare. ForFarmers is committed to safeguarding the safety of people, processes and products and strives towards honest and responsible working conditions throughout the whole chain. In this

respect, ForFarmers has introduced a Supplier Code of Conduct in 2016. Environmental policy and respecting human rights are part and parcel of ForFarmers' sustainability approach. Please refer to the chapter on 'Sustainability' in the Report of the Executive Board.

Combating corruption and bribery

ForFarmers does not tolerate corruption or bribery. ForFarmers observes this in the Code of Conduct and expects its staff to ensure that the people they work with understand that corruption and bribery are unacceptable. The anti-corruption and anti-bribery policy includes due diligence procedures for the employment of staff and for embarking on business relations, as well as an alerts procedure to alert the Company to corruption and bribery.

Main risks

In the efforts to attain strategic goals, ForFarmers has a very low to low risk appetite when it comes to sustainability. ForFarmers has a very low risk acceptance level for risks that affect compliance with legislation and regulations. Please refer to the chapter on 'Risk Management' in the Report of the Executive Board.

Diversity policy

ForFarmers is working on a policy regarding diversity for the Executive Board and the Supervisory Board. It concentrates not only on gender but also for example on age, expertise, experience and background. This policy shall furthermore explain the objectives to be observed as regards diversity. The Company strives towards an equal distribution of men and women, age, expertise, experience and background. These efforts also feature in the profile of the Supervisory Board.

¹As referred to in Article 2a of the Decree containing additional requirements for the content of management reports.

²This Code can be consulted (in English) through the following link <http://www.commissiecorporategovernance.nl>. An overview of ForFarmers N.V. as regards the implementation of the Code can be found on the website www.forfarmersgroup.eu.