



Annual Report 2022

For the Future of Farming

Corporate governance statement for 2022



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This statement sets out how ForFarmers applies the Dutch Corporate Governance Code. It also discusses risk management and control, financial reporting and the composition of the Executive Board.

The corporate governance of ForFarmers is established based on Dutch law, the company's articles of association and regulations stemming from the Dutch Corporate Governance Code (hereinafter: the code). The Executive Board and the Supervisory Board are responsible for the corporate governance of ForFarmers and discuss this topic annually, deviating from several individual provisions.

The Dutch Corporate Governance Code

Long-term value creation

The Executive Board is responsible for managing the company and safeguarding the continuity of ForFarmers and its affiliated enterprise. It has developed a vision on long-term value creation and formulated a fitting strategy in consultation with the Supervisory Board. The value creation model outlines the contribution that ForFarmers makes on a social, sustainability and economic level.

The Executive Board expands on its vision on value creation in the annual report. It also explains the strategy it pursues to create value and how people have been working on it over the past year. The annual report also contains a report by the Supervisory Board in which the latter reports on its involvement in the realisation of the strategy and the supervision of its implementation.

Internal risk management and control systems

ForFarmers has appropriate internal risk management and control systems in place (hereinafter: internal systems). In the Risk Management section, the Executive Board sets out the main financial and non-financial risks associated with the company's strategy and activities. It also expands on the company's risk appetite and the mitigating measures that have been put in place. It monitors and assesses the design and operation of the internal systems, in part with the help of the internal auditor. The board discusses the effectiveness of the design and operation of the internal systems with the audit committee and reports on this to the Supervisory Board. In addition, the principles and best practice provisions relating to the appointment, evaluation and performance of the external auditor's work are subscribed to.

Effective management and supervision

The Executive Board and the Supervisory Board are composed in such a way that the required expertise, background, skills and (in the case of the Supervisory Board) independence are guaranteed, enabling members to fulfil their tasks. The composition is in line with the principles and best practice provisions on effective governance and supervision.

Executive Board and Executive Team

The Executive Board of ForFarmers works with an Executive Team that manages the operational activities. This team consists of the members of the Executive Board and people who help the Executive Board fulfil its tasks. The CEO appoints the Executive Team members in consultation with the Supervisory Board. The members of the Executive Board are appointed by the AGM and only on a binding nomination by the Supervisory Board. However, the AGM may override the binding nature of a nomination by an absolute majority at a meeting in which at least one third of the company's issued share capital is represented. In that case the Supervisory Board must make a new nomination. The AGM may suspend or dismiss members of the Executive Board if a majority at a meeting in which at least one third of the issued share capital is represented so decides.

Supervisory Board

The Supervisory Board consists of six people and is tasked with supervising the policy of the Executive Board and the general course of affairs in the company. The Supervisory Board is also focused on the effectiveness of the internal systems and the integrity and quality of financial reporting. With regard to the independence of members of the Supervisory Board, reference is made to the Deviations section of the Code.

The Supervisory Board meets annually with the Executive Board according to a set schedule. Additional meetings are scheduled if necessary. Executive Team members who are not members of the Executive Board occasionally

expand on topics for which they are responsible at Supervisory Board meetings.

The Supervisory Board evaluates at least once a year its own performance, that of the committees and the performance of the individual Supervisory Board members. The desired profile and the composition, competencies and expertise of the Supervisory Board are also discussed at that time. This evaluation takes place without the Executive Board being present.

The Supervisory Board discusses the performance of the Executive Board as a team and that of the individual Executive Board members at least once a year. The conclusions attached to the findings are also discussed, in part with a view to the succession of Executive Board members. In addition, the diversity policy is regularly discussed.

The members of the Supervisory Board are appointed by the AGM for a maximum period of four years.

This appointment takes place on a binding nomination by the Supervisory Board. The AGM may override the binding nature of a nomination by an absolute majority at a meeting in which at least one third of the company's issued share capital is represented. In that case the Supervisory Board must make a new nomination.

The cooperative has the right to nominate four of the six members of the Supervisory Board if it has more than fifty percent of the voting rights or can exercise more than 50 percent of the voting rights on the most recent reference

date of 1 January. In that case the cooperative, in consultation with the Supervisory Board, can appoint a Supervisory Board member as chair. If less than fifty percent of the voting rights can be exercised, the cooperative has the right to nominate three of the six Supervisory Board members and the Supervisory Board will appoint the chairman in consultation with the cooperative.

These situations are also applicable to the dismissal of the chair, although a dismissed chair shall continue their term of office as a member of the Supervisory Board without holding the title of chair. The AGM has the power to suspend or dismiss a member of the Supervisory Board at any time. Such a decision is taken by an absolute majority at a meeting in which at least one third of the issued share capital is represented, unless the decision is taken at the proposal of the Supervisory Board, in which case the decision may be taken regardless of what portion of the issued share capital is represented at the meeting.

Remuneration

ForFarmers applies the principles and best practice provisions of the Code with regard to remuneration. The annual report contains a remuneration report which gives an account of how the remuneration policy was implemented in the year under review. The Supervisory Board determines the remuneration of the individual members of the Executive Board at the proposal of the Remuneration Committee. The remuneration policy is established by the AGM and is reviewed regularly. The Supervisory Board submits amendments to the AGM

for adoption. The revised remuneration policy for the Executive Board was adopted by the AGM of 14 April 2022, at which time the remuneration of the Supervisory Board was also set for the 2022 financial year.

In selecting what information about variable remuneration to include in the Remuneration Report, the Supervisory Board weighs the interests of transparency and share price and market sensitivity. The Supervisory Board has the power to adjust the variable remuneration if it has been granted based on inaccurate information. ForFarmers has the right to claw back that part of the variable remuneration from members of the Executive Board. The Supervisory Board is authorised to adjust the level of the variable component of the remuneration for members of the Executive Board where its allocation was dependent, in whole or in part, on attaining certain targets or on certain circumstances to an appropriate level if paying it would be unacceptable based on standards of fairness and reasonableness.

In the event of early termination of their employment contract by ForFarmers, members of the Executive Board will receive a maximum of one year's salary. The same applies to members of the Executive Board who are not eligible for reappointment. No severance payment is made if the contract is terminated early at the initiative of the Executive Board member or if the Executive Board member is guilty of culpable or negligent conduct. The Supervisory Board has the power to withhold or reduce the aforementioned severance pay if it is of the opinion that a payment equalling one year's fixed salary

would be unacceptable based on the reason for the dismissal. Severance pay is payable immediately upon termination of the contract. The Main elements in the contracts of members of the Executive Board have been published on the Company's website in accordance with the Code.

General Meeting of Shareholders

ForFarmers largely applies the principles and best practice provisions relating to the General Meeting of Shareholders (AGM). The company's registered share capital equals € 4,500,000.01 and is divided into 225 million ordinary shares, 225 million preference shares (of which none are issued) and one priority share (which is issued). Each share has a nominal value of € 0.01. ForFarmers has no provisions that restrict voting rights. Each share grants the right to cast one vote at the AGM.

The ordinary shares are listed on Euronext Amsterdam (FFARM). Furthermore, depositary receipts have been issued with the cooperation of the Company. The board of Stichting Beheer- en Administratiekantoor ForFarmers (the ForFarmers Trust Office Foundation) operates independently of ForFarmers. The Trust Office Foundation follows the voting instructions given by the Cooperative, exercises voting rights and grants proxy votes.

Members of the Cooperative can hold a participation account with the Cooperative that can be converted into ForFarmers shares or depositary receipts for shares. The Cooperative grants proxy votes to participation

account holders to enable them to vote and attend the AGM.

The Executive Board or the Supervisory Board shall, with due observance of the Policy on bilateral contacts, inform all shareholders and other parties on the financial markets simultaneously about matters that could affect the share price. Analyst meetings and press conferences are announced in advance via our website and can be followed via a live stream. Analyst presentations and presentations given during the AGM are posted on the company's website prior to or after the meeting in question. If price-sensitive information is provided during a General Meeting of Shareholders or answering shareholders' questions has led to the provision of price-sensitive information, such information shall be made public without delay. No analyst meetings, investor presentations or direct discussions with investors take place shortly before the publication of regularly scheduled financial information, such as half-year and annual results.

It is important to the Supervisory Board and the Executive Board that as many shareholders as possible participate in decision-making at shareholders' meetings. ForFarmers facilitates this by giving shareholders the opportunity to issue a proxy with voting instructions. Convening notices, agendas and documents for discussion at shareholders' meetings are published in a timely manner. The agenda for shareholders' meetings state which items on the agenda are discussion items and which are voting items.

Decisions by the Executive Board regarding any major change in the identity or nature of ForFarmers are subject to approval by the AGM. This may for example concern the transfer of the company to another party, the commencement of termination of a long-term collaboration or the acquisition or disposal of a stake in the capital of another company amounting to at least one third of the value of the assets. The ordinary shares and preference shares carry no special control rights.

The AGM can decide to amend the Articles of Association by a simple majority of votes at the proposal of the Executive Board and subject to the approval of the Supervisory Board. Such a decision can only be taken by the AGM with prior or simultaneous approval from the priority shareholder. The same applies for decisions regarding entering into a merger or undertaking a demerger.

Those entitled to attend meetings may propose agenda items for shareholders' meetings. Items proposed in writing by one or more parties who are entitled to attend meetings and individually or jointly represent at least 3 per cent of the issued share capital of the Company will be included in the convening notice or announced in the same way provided that the Company receives the reasoned request or proposed resolution no later than 60 days before the date of the AGM. In addition, shareholders' meetings can be convened by parties who are entitled to attend meetings and jointly represent at least 10 per cent of the issued share capital of the Company.

Members of the Cooperative who can demonstrate that a participation account is held in their name with the Cooperative are in principle admitted to the AGM. A report is written of each shareholders' meeting and made available to the shareholders. The results of the voting on each of the agenda items are published on the company's website within 15 calendar days of the shareholders' meeting.

Governance structure

ForFarmers has a two-tier management structure with a separate Executive Board and a Supervisory Board. The principles and best practice provisions relating to the one-tier governance structure therefore do not apply. The company does endorse the principles and best practices relating to conflicts of interest. The Executive Board Regulations and Supervisory Board Regulations include rules for handling potential conflicts of interest. These regulations include rules regarding the holding of and undertaking of transactions in securities by members of the Supervisory Board and Executive Board.

Deviations from the Code

All deviations from the Code are expanded on in the corporate governance section of the annual report. A few of the deviations are discussed in more detail below.

Decree implementing article 10 of the EU takeover directive

In accordance with the provisions of Article 1, paragraph 1 of the Decree implementing Article 10 of the EU Takeover

Directive the following information is provided and explained insofar as this has not been done already.

Capital structure: distributions

With due observance of the Articles of Association the profits as shown in the Company's annual accounts for any financial year shall be allocated as follows and in the following order:

If preference shares are cancelled without full payment of the distribution having been made, an amount equal to the remaining shortfall will be distributed to the persons or parties who were holders of preference shares at the time the cancellation came into effect. If any preference distribution for previous financial years has not yet been fully made, an amount equal to the remaining shortfall will be distributed with on preference shares. A distribution for the financial year to which the financial statements pertain shall then be made with on the preference shares.

At that time and subject to the approval of the Supervisory Board, the Executive Board will determine which part of the remaining profit will be added to ForFarmers' reserves. An amount equalling the nominal amount of the priority share will be distributed on the priority share from the remaining profit. Any profit then remaining will be attributable to the AGM for distribution on the ordinary shares. ForFarmers will use its reserves to cover the deficit if it cannot pay the distributions from its annual profit.

Restrictions on transfer of shares

ForFarmers imposes no restrictions on the transfer of shares, except for the restriction provided for in the Articles of Association regarding the transfer of preference shares or the priority share and the quality requirements applicable to the priority share. Any transfer of preference shares or the priority share shall be subject to prior approval by the Executive Board. The priority share may only be held by the Company itself, or a cooperative whose members, in the opinion of the Executive Board, are primarily active in the agricultural sector, in any case including Coöperatie FromFarmers U.A., and which has voting rights or can issue voting instructions in connection with at least 20% of all shares as determined in the Articles of Association, or a party to be designated in writing by the Executive Board.

Depositary receipts for shares in the company's capital may only be transferred by means of a deed drawn up by the parties for that purpose as well as acknowledgment in writing by Stichting Beheer- en Administratiekantoor ForFarmers (the ForFarmers Trust Office Foundation). The board of the Trust Office Foundation may only grant approval for the delivery of depositary receipts if the delivery occurs in connection with the execution of a pledge.

Ordinary shares may only be converted using the trading platform operated

by Captin B.V. A similar rule applies to the transfer of a participation account held by a member of the Cooperative and is set out in the Cooperative's Articles of Association.

Conversion of a participation account into ordinary shares may take place through the same trading platform.

If a private offer for a business unit or participating interest valued in excess of the threshold specified by law is made public, the Executive Board, after consultation with the Supervisory Board, shall publicly announce its opinion with regard to the offer along with the reasons for its opinion as soon as possible.

Substantial holdings

As at 31 December 2022 the following entities held a stake of 3% or more in ForFarmers, according to the Register of Substantial Holdings of the Netherlands Authority for the Financial Markets (AFM):

	Capital interest ⁽¹⁾	Registration date
Coöperatie FromFarmers U.A. (direct and indirect) ⁽²⁾	49.99%	18 Oct. 2017
Stichting Beheer- en Administratiekantoor ForFarmers ⁽²⁾	9.69%	31 Mar. 2017
ForFarmers N.V. ⁽³⁾	5.02%	24 Feb. 2022
D. Lindenbergh	5.0%	11 Apr. 2022

⁽¹⁾ Based on 106,261,040 issued ordinary shares, being the number of issued ordinary shares at the time of registration with the AFM. On 11 September 2020 the shares that had been repurchased via the share buy-back programme were withdrawn, resulting in 95,218,821 issued ordinary ForFarmers shares at that date.

⁽²⁾ As at 31 December 2022 the capital interest of Coöperatie FromFarmers UA was 45.45% and of Stichting Beheer- en Administratiekantoor ForFarmers was 8.91%, based on 95,218,821 issued ordinary shares.

⁽³⁾ As at 31 December 2022, the capital interest of ForFarmers N.V. is 6.13%, based on 95,218,821 issued ordinary shares.

Employee participation plan

The company has a participation plan in place for senior management (including the Executive Team) and another for other employees. In principle, employees were invited to take part annually.

Every year participants in the participation plan for senior management may purchase ordinary shares or depositary receipts for ordinary shares up to an amount that does not exceed the maximum variable and /or short-term bonus for which they are eligible based on their contract. Ordinary shares and depositary receipts thereof obtained under this participation plan are subject to a lock-up period of five years and a discount of 20% on the standard acquisition price.

Every year participants in the participation plan for other employees may purchase ordinary shares or depositary receipts for ordinary shares for any of the following amounts: € 1,000, € 2,000, € 3,000, € 4,000 or € 5,000. Ordinary shares or depositary receipts thereof obtained under this participation plan are subject to a lock-up period of three years as well as a discount of 13.5% on the standard acquisition price, granted in the form of an allotment of additional ordinary shares or depositary receipts thereof. In the Netherlands this discount consisting of the allotment of additional ordinary shares or depositary receipts thereof is granted at the beginning of the lock-up period, with these additional ordinary shares or depositary receipts thereof also being subject to the lock-up period. In other countries the discount is granted in the form of additional ordinary shares or depositary

receipts thereof allotted after the end of the lock-up period.

The Supervisory Board determines annually whether the employee participation plans can be implemented.

Shareholder agreements

Except for the restrictions that apply to ordinary shares or depositary receipts thereof obtained under an employee participation plan the Company is not aware of any agreements involving a shareholder which could lead to a restriction on the transfer of ordinary shares or depositary receipts thereof or to restriction of the voting rights.

Provisions relating to a change of control in important agreements

The €300 million credit facility that ForFarmers has entered into with banks includes a change-of-control clause, which stipulates that the banks that are a party to the facility must be notified of any change of control. In that case the banks in question have the option of demanding early redemption. Change-of-control clauses are also included in various agreements and cooperation agreements to which the Company or its subsidiaries are party. Such information is not published due to potential competitive sensitivity.

Change of control clauses in employment contracts and contracts of assignment

There are no agreements with members of the Executive Board or other employees that provide for a payment in

the event of the employment being terminated as a result of a public offer.

Decree on disclosure of non-financial information

The following information is provided and explained in accordance with the provisions of the Decree on the disclosure of non-financial information.

Social and HR policy

ForFarmers' Human Resources strategy is focused on attracting and retaining qualified people and helping them develop. The company's approach is geared towards learning and applying best practices. This improves the effectiveness, efficiency and vitality of the organisation and staff alike, with ForFarmers seeking to strike a balance between the needs of the company and those of its employees.

In our social and HR policy, we assume equal opportunities, as set out in the Code of Conduct. The company has a zero-tolerance policy on discrimination and uses measures including the HR annual cycle to ensure that business decisions are based on relevant qualifications, performance and other job-related factors. ForFarmers devotes a great deal of attention to providing a safe workplace and good working conditions and has established a KPI for reducing the number of Lost Time Incidents (LTIs).

Environment and respect for human rights

Sustainability is part of ForFarmers' mission, business profile, and core values. Feeding the growing global

population in a sustainable way is a challenge that will require optimum use of raw materials and natural resources such as energy, land and water.

ForFarmers contributes to this for example by improving feed efficiency: using less feed to produce more animal proteins. We have also set targets to incorporate more and more co-products and residual flows in our feed. These ingredients are residual flows from the food industry or are not suitable for human consumption. By doing so, we combat waste and contribute to making the sector more sustainable.

In addition, the company has set specific objectives to operate more sustainably in its own production activities, in the supply chain and on-farm. ForFarmers is committed to safeguarding the safety of people, processes and products, and seeks to establish fair and responsible working conditions throughout the chain. ForFarmers has a Code of Conduct in place, also to ensure a sound environmental policy and respect for human rights at its suppliers.

Anti-corruption and anti-bribery policy

ForFarmers has a zero-tolerance policy on bribery and corruption and endorses this stance in the Code of Conduct. The company expects its staff to work with people who understand that corruption and bribery are unacceptable. The anti-corruption and anti-bribery policy includes due diligence procedures when hiring staff and entering into business relations, as well as procedures for reporting bribery and corruption.

Diversity policy

The Supervisory Board has drawn up a diversity policy for the composition of the Executive Board, the Supervisory Board and the Executive Team. This policy sets out the specific objectives regarding diversity in general and aspects of diversity specific to the company, including nationality, age, gender, education and experience. The Supervisory Board considers these aspects to be of particular importance to ForFarmers because together they contribute to a varied perspective in the formation of opinions and in doing so support innovation. These aspects also contribute to giving and receiving supported feedback and enabling careful decision-making. The Supervisory Board realises that ForFarmers still has steps to take to fully comply with the Diversity Act in force as of 1 January 2022 in the Netherlands. The Board also intends to work on all points of the new Corporate Governance Code in 2023.

This corporate governance statement explains the diversity policy and its implementation in relation to the objectives of the policy, the way in which the policy is implemented and the results of the policy in the past financial year. If the composition of the Executive Board and the Supervisory Board deviates from the objectives of the policy and/or the male-to-female ratio target, the corporate governance statement also expands on the current situation, the measures being taken to achieve the objectives and the desired timeframe.

1. Diversity in terms of knowledge and experience

ForFarmers aims to ensure the presence of a substantial level of knowledge and experience in the Executive Board and Executive Team in the following 11 areas: (1) national and international agribusiness, (2) management of a listed company, (3) financial matters, administrative organisation and internal control, (4) strategy, (5) sales and marketing, (6) manufacturing and logistics, (7) innovation, research and development, (8) safety and the environment, (9) personnel and organisation, (10) IT and (11) legal matters.

Each member of the Executive Board and Executive Team has the knowledge and experience relevant to their range of duties and keeps up with developments in agribusiness. The Executive Board and Executive Team members have attended compliance and awareness courses that are relevant for listed companies and were made aware of these when joining the Executive Board or Executive Team. The topics covered included handling price-sensitive information and communication.

The areas of knowledge and experience sought by ForFarmers in composing the Supervisory Board are stated in the Profile of the Supervisory Board. They are set out in more detail in the Composition of the Supervisory Board and Committees section in the Annual Report for 2022 which also comprises an overview of the specific knowledge and experience of each Supervisory Board member.

Pieter Wolleswinkel was nominated by the Supervisory Board for appointment to the Executive Board at the AGM of 14 April 2022 due to his extensive knowledge and experience in livestock farming as well as his management experience. His background and education, commercial focus and sustainability ambitions were decisive factors for the Supervisory Board.

On 14 April 2022 Marijke Folkers-in 't Hout was nominated for appointment to the Supervisory Board and Vincent Hulshof and Roger Gerritzen were nominated for reappointment to the board. The Supervisory Board was particularly focused on diversity with regard to knowledge and experience within the agricultural sector, as well as on gender. The Supervisory Board expanded on this when discussing the agenda item at the AGM. The nominations for the appointment and reappointments were made on the recommendation of the Cooperative. The reappointments also considered the continuity of the Supervisory Board.

This policy resulted in the presence of a significant level of knowledge and experience in the areas relevant to the Executive Board, the Executive Team and the Supervisory Board in 2022. This is expected to remain the case in the coming years.

2. Gender diversity

ForFarmers aims for at least 30% of the positions on the Executive Board and the Executive Team to be occupied by both men and women. In line with Dutch legislation at least one third of the seats on the Supervisory Board must be held by both men and women.

In 2022, the Executive Team initially comprised two women and eight men. The two female members of the Executive Team left ForFarmers during the year. The vacancies that have arisen have not yet been filled, in anticipation of the further tightening of the organization. The Executive Team currently consists entirely of men. Part of the revised strategy and the resulting organizational tightening is to further shape the plan for creating more diversity. For upcoming vacancies, explicit attention will be paid to improving diversity. In case of equal suitability of candidates, decisions will be made in a way to enhance diversity.

3. Diversity in terms of nationality

It is important to ForFarmers that there is diversity in terms of nationalities on the Executive Team. That is why there is an objective in place that at least two members of the Executive Team members do not have Dutch nationality. Moreover, we want the managing director of a country in which we operate to be a national of the country in question.

At the beginning of 2022, the Executive Team consisted of eleven members and later in the year eight. This was the result of the first step of tightening up the organization and of the departure of some members to positions elsewhere. Of the eight members of the executive team, four have a non-Dutch nationality. The objective of diversity in relation to nationality has therefore been achieved.

4. Diversity in terms of age

ForFarmers does not consider diversity in terms of age to be suitable to link to a specific objective. We do acknowledge that knowledge and experience come with age and that young people are generally more open to new developments. The company aims to achieve a balanced mix of ages in the composition of the Executive Board, Supervisory Board and Executive Team but does not set any specific targets.

During the AGM of 14 April 2022 Pieter Wolleswinkel was appointed to the Executive Board and Marijke Folkers-in 't Hout to the Supervisory Board. Their appointments meant an average age reduction on both in the Executive Board and the Supervisory Board. There was already a balanced mix in terms of age in the Executive Team.