

**Appendix agenda item 6.2**

**PROPOSAL REGARDING SCHEME AS  
INTENDED IN SECTION 135  
SUBSECTION 5 OF BOOK 2 OF THE  
DUTCH CIVIL CODE WITH REGARD TO  
RIGHTS TO SUBSCRIBE FOR  
DEPOSITARY RECEIPTS**

*The following scheme is submitted to the General Meeting of the Company on 26 April 2017 for approval, however exclusively to the extent that it regards the members of the (statutory) executive board (the executive board under the articles of association) of the Company.*

**SENIOR MANAGEMENT EMPLOYEE PARTICIPATION SCHEME FOR FARMERS**

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## **SENIOR MANAGEMENT EMPLOYEE PARTICIPATION SCHEME FOR FARMERS**

This Scheme was prepared by the Executive Board and where this Scheme includes regulations for the Executive Board by the Board of Supervisory Directors.

### **1 Definitions and interpretation**

1.1 The following definitions apply in this Scheme:

**Acquisition Price:** the price at which a Participant acquires a Depositary Receipt, which price is determined by the Executive Board with prior approval of the Supervisory Board, where the average closing price of Depositary Receipts or Shares over the relevant Period (with a minimum per Depositary Receipt equals 120% of the nominal value of the corresponding Share) applies as a guiding principle;

**Articles of Association:** the articles of association of the Company, as they read from time to time;

**Board of Directors:** the board of directors of the Company and its Subsidiaries, currently consisting of Mr Y.M. Knoop ('CEO'), Mr J.N. Potijk, Mr A.J.A. van der Ven, Mr A.E. Traas ('CFO') and Mr S.A. Steendijk, Mr S.R. Read and Mr I. Gardner;

**Board of Supervisory Directors:** the supervisory board of the Company ('Supervisory Board');

**Cancellation:** the expiry of a Depositary Receipt and the transfer on account of termination of the administration of the Share for which the said Depositary Receipt was issued by the Foundation to the relevant Participant;

**Company:** the public limited company ForFarmers N.V., having its registered office in Lochem, registered in the trade register under number 08159661;

**Contribution:** an amount, at the discretion of the Participant, that does not exceed the maximum gross variable and/or fixed short-term remuneration component (bonus) for which Directors and certain Employees (may) qualify in pursuance of their agreement (regardless of the fact whether the said remuneration component is actually allocated or paid in a year);

<b>Cooperative:</b>	the cooperative Coöperatie FromFarmers U.A., having its registered office in Lochem, registered in the Trade Register under number 08048747;
<b>Declaration of Acceptance:</b>	the agreement between the Company, to the extent that the Company is not the employer: the Employer, and a Participant where the said Participant accepts an invitation to acquire Depositary Receipts in the said capacity;
<b>Depositary Receipt:</b>	depositary receipts for Shares;
<b>Director(s) / Executive Board:</b>	the statutory directors(s) (director(s) under the articles of association) of the Company;
<b>Employee:</b>	the person who concluded an employment agreement with the Company or one of the Subsidiaries or a member of the Executive Board who concluded an agreement for the provision of services with the Company;
<b>Employer:</b>	the Company or one of the Subsidiaries with which the Employee concluded an employment agreement;
<b>Financial Year:</b>	the financial year of the Company;
<b>ForFarmers Group:</b>	the Company and its Subsidiaries, jointly;
<b>Foundation:</b>	ForFarmers Trust Office Foundation, having its registered office in Amsterdam, registered in the trade register under number 08161668;
<b>General Meeting:</b>	the general meeting of shareholders of the Company;
<b>Participant:</b>	the person who acquires Depositary Receipts on the basis of the Scheme;
<b>Relevant Period:</b>	the five (upon designation in the future) trading days that are designated to this end by the Executive Board, with prior approval of the Board of Supervisory Directors, in the invitation letter or otherwise to the relevant Participant and were communicated to the said Participant;
<b>Scheme:</b>	this "Employee Participation Scheme" as they read from time to time;
<b>Senior Management:</b>	the Employees pertaining to the senior management of the Company, currently consisting of the members of the Board of Directors and the senior managers designated by the Board of Directors;

- Serious Reasons:** serious reasons as intended in section 685 of Book 7 of the Dutch Civil Code, with the exception of the redundancy of the position of the Participant as an Employee due to a reorganisation;
- Shares:** ordinary shares in the share capital of the Company, each with the applicable nominal value;
- Subsidiaries:** the subsidiaries of the Company;
- Trust Terms and Conditions:** the trust terms and conditions of the Foundation as applicable from time to time;
- Urgent Reason:** an urgent reason as intended in section 678 of Book 7 of the Dutch Civil Code.

1.2 Terms defined in the singular have a similar meaning in the plural and vice versa.

## 2 **Objective of the Scheme**

The objective of the Scheme is to involve the Participants in the strengthening and further development of the ForFarmers Group and to have the Participants share in the financial performances of the Company and its Subsidiaries by offering the Participant the opportunity to personally (indirectly) participate in the share capital of the Company.

## 3 **Participants**

3.1 Only Employees can become Participants. They are invited for this by the Executive Board, respectively the Board of Supervisory Directors if the Employee is a Director.

3.2 The Participants are basically invited annually in conformity with the provisions set forth in article 3.1 to, on payment of the Contribution, acquire Depositary Receipts at an Acquisition Price to be determined for the relevant Depositary Receipts (taking into account the discount percentage (of 20%) as intended in article 3.4) on the condition that for the aforementioned amounts only full Depositary Receipts can be acquired and a potential residual amount (the 'rounding-off surplus') does not qualify for payment, settlement or restitution and is deemed to be part of the (total) Acquisition Price of the Depositary Receipts. The rounding-off surplus is not taken into account in case of the restitution as intended in article 4.1. The amounts payable by the Participants for Depositary Receipts are paid by the Participants from their own resources (e.g. net bonus) and are at the latest unconditionally made available to the Company on the date included in the invitation letter. Within the framework of this Scheme a maximum number of Depositary Receipts can annually be obtained by each member of the Executive Board which equals: the maximum Contribution / (the Acquisition Price x (1 – 20%)) and the criterion applies that the Participant is only invited if he / she can qualify for a bonus in pursuance of his / her agreement.

3.3 A resolution adopted in a year regarding the invitation of a Participant to acquire

Depository Receipts in the relevant year is an individual resolution that a Participant cannot derive the right from that this kind of resolution is repeated in a later year or that the possibility of acquiring Depository Receipts does at any time become a fixed remuneration component. The provisions set forth in the previous sentence are therefore also applicable in full in instances where a Participant was given the opportunity to acquire Depository Receipts during multiple (whether or not consecutive) years.

- 3.4 The resolution to invite the Participant shall also contain the Acquisition Price or the manner that this Acquisition Price is determined. The Acquisition Price is determined by the Executive Board with the prior approval of the Board of Supervisory Directors on the basis of the economic value of a Depository Receipt or the corresponding Share to which the restricting conditions of this Scheme are not applicable with a discount (payable in Depository Receipts) of 20%. When determining the economic value of a Depository Receipt the average closing price of Depository Receipts or Shares over the Relevant Period is used as a guiding principle. The Acquisition Price or the manner that it is determined is mentioned in the relevant invitation.

Acceptance of an invitation and Depository Receipts offered in pursuance thereof takes place by the Participant through signature of the Declaration of Acceptance. Signature of documentation in connection with this Scheme (including but not limited to the Declaration of Acceptance) can also take place electronically.

#### 4 **Restitution**

- 4.1 If the employment or the agreement for the provision of services with a Participant ends before a period of at least three years has lapsed since the latest date mentioned in the invitation letter when the signed Declaration of Acceptance must be submitted following (i) dismissal of the Participant on account of an Urgent Reason or (ii) dissolution of the (employment) agreement on account of Serious Reasons or (iii) termination by the Participant, unless the said termination takes place on account of a change in the position of the Participant implemented by the Employer in connection with a reorganisation, then the Participant is liable to pay an amount (the "restitution") to the Company for each and every Depository Receipt for which the period of three years has not lapsed yet equal to the difference between:

- (i) 100/80 multiplied by the Acquisition Price of that Depository Receipt; and
- (ii) the Acquisition Price of that Depository Receipt.

If the employment or the agreement for the provision of services with a Participant ends through termination by the Employer or dismissal or dissolution of the (employment) agreement by the Employer other than in the instances as intended in article 4.1 (i) and article 4.1 (ii) then the Participant is not liable to pay restitution to the Company. The same applies if after his term of appointment a Director does not qualify for reappointment.

- 4.2 The Employer is authorised to set any amount to be repaid by the Participant in pursuance of this article off against amounts that the Employer is liable to pay to the Participant on account of the employment or the agreement for the provision of services with the

Participant and/or the termination thereof.

- 4.3 The Executive Board, respectively the Board of Supervisory Directors if the Participant is a Director, can, in case of termination by the Participant in connection with pre-pension, grant release from the obligation of the Participant as included in article 4.1.

## 5 **Transferability of Depositary Receipts**

- 5.1 Conversion of Depositary Receipts into (transferable) Shares through cancellation is only possible after at least a period of five years has lapsed after the latest date mentioned in the invitation letter on which the signed Declaration of Acceptance must be submitted. The Participant shall neither be able to convert his / her Depositary Receipts within the aforementioned period of five years after the end of his / her employment or agreement for the provision of services with the Employer into Shares through Cancellation, other than in accordance with this Scheme and the Trust Terms and Conditions, unless in the employment or the agreement has ended as mentioned in 4.1 (i), 4.1 (ii) or 4.1 (iii) and the Participant has paid the restitution to the Company (in which event the Participant will be free to convert his Depositary Receipts in accordance with the Trust Terms and Conditions). In case of conversion of Depositary Receipts into (transferable) Shares the Insider Trading Regulations ForFarmers N.V. must be observed.

- 5.2 If the Cooperative intends to offer all Shares held by the same to a third party (not being the Foundation) and the offered Shares represent more than 50% of the issued share capital of the Company then the Participant is, at the request of the Cooperative, held to convert the Depositary Receipts held by him / her into Shares through Cancellation and to offer the Shares to the third party for the same price per Share as for the Shares offered by the Cooperative and otherwise also on the basis of the same terms and conditions offered to the third party provided that the price per Share amounts at least to the economic value. If the Cooperative intends to offer a part of its Shares to a third party (not being the Foundation) and those Shares represent more than 50% of the issued share capital of the Company then the Participant is held to comply with a request as intended above with regard to a proportionate part of his / her Depositary Receipts.

- 5.3 If the Cooperative intends to proceed with (i) a legal merger or division or dissolution of the Company or (ii) voting as a shareholder in favour of granting consent to a resolution of the Executive Board regarding an important change of the identity or the character of the Company or the business as intended in section 107a of Book 2 of the Dutch Civil Code then the Participant shall lend his / her cooperation to a relevant resolution of the General Meeting.

## 6 **Risk factors and costs**

- 6.1 Through signature of the Declaration of Acceptance the Participant declares:
- a) to be familiar with the risks that are associated with holding Depositary Receipts, including the restrictions that the Articles of Association, the Trust Terms and

Conditions, the articles of the Foundation and this Scheme impose on the transferability of Depositary Receipts and on Cancellation; the Participant thus declares to be familiar with the content of the Articles of Association, the Trust Terms and Conditions and the articles of the Foundation;

- b) to be familiar with the circumstance that these risks are of such nature that investment is only responsible if the Participant needs / shall need the associated resources for other purposes;
- c) to be familiar with the fact that in principle, after the five-year period as mentioned in 5.1, annual administration costs will be associated with the possession of Depositary Receipts;
- d) to be familiar with the fact that issue of Depositary Receipts shall take place after a purchase programme has been concluded in order that the Company holds sufficient Shares for transfer to the Foundation on a trust basis, however basically no later than three years after signature of the Declaration of Acceptance on the condition that in special conditions the Company shall not be held to do this if this can within reason not be required of the Company, such at the discretion of the Executive Board and with approval of the Board of Supervisory Directors; the purchase programme is carried out by a third party in accordance with the relevantly applicable guidelines and the term for purchasing depends, among other things, on the total number of participants and depositary receipts that must be purchased in connection therewith;
- e) to be familiar with the fact that he / she is not entitled to dividend and/or voting rights as long as the Depositary Receipts have not been issued (and subsequently only in accordance with the Trust Terms and Conditions and the articles of the Foundation).

6.2 The Participant moreover declares to agree that the (tax) consequences deriving from his / her participation in the Scheme are at his / her expense.

## 7 **Other provisions**

7.1 If any provision of the Scheme appears to be invalid (e.g. due to incompatibility with the Articles of Association or regulations) then the other provisions shall be interpreted as if the invalid provision had not been included; the invalid provision shall be deemed to have been replaced by a valid provision that best approaches the intention of the Scheme with the relevant provision.

7.2 The conditions and provisions of the Scheme can be changed for Employees who are not Directors by a resolution of the Executive Board however only with prior approval of the Board of Supervisory Directors. For members of the Executive Board the conditions and provisions of the Scheme can be changed by a resolution of the Board of Supervisory Directors and approval of the General Meeting.

7.3 In instances not foreseen by this Scheme the Executive Board decides with regard to

Employees who are not a Director however only with prior approval of the Board of Supervisory Directors and the Board of Supervisory Directors decides with regard to members of the Executive Board.

7.4 Dutch law is applicable to this Scheme.

7.5 Any and all disputes between the Participant on the one hand and the Company and/or Subsidiaries on the other hand, which may arise further to the Scheme or agreements deriving from the same, shall be settled in accordance with the Arbitration Regulations of the Dutch Arbitration Institute. The Arbitration Tribunal shall consist of one arbitrator. The place of arbitration shall be situated in Lochem. The procedure shall be conducted in the Dutch language. The Arbitration Tribunal decides in all fairness in accordance with the principles of equity. Combination of the arbitration proceedings with other arbitration proceedings as foreseen in section 1046 of the Dutch Code of Civil Procedure is excluded.