

## Remuneration policy

The supervisory board adopts, on the recommendation of the remuneration committee, the remuneration policy for the executive board (hereinafter referred to as: the “executive board”) of the company. For the purpose of this remuneration policy the term “executive board” exclusively regards the statutory directors and not the persons who are referred to as directors (the “non-statutory board members”) but who are not statutory directors. The remuneration policy for the executive board and changes in this policy are adopted by the general meeting of ForFarmers N.V. (hereinafter referred to as: “ForFarmers” or the “company”). Within the adopted remuneration policy the supervisory board, again on the recommendation of the remuneration committee, establishes the remuneration of the individual members of the executive board. The regulations of the remuneration committee were posted on the website of ForFarmers.

### ***Guiding principles***

Prior to the preparation of this remuneration policy the supervisory board of ForFarmers analysed the potential outcome of the variable remuneration components and the consequences thereof for the remuneration of the members of the executive board.

The remuneration policy is aimed at attracting, maintaining and motivating qualified persons in order to realise the objectives of ForFarmers. In this respect experience in (international) activities of ForFarmers and the required management qualities play an important role.

The policy is aimed at interesting high-qualified functionaries, also from other disciplines, for a position at ForFarmers and maintaining them. When determining the variable part of the remuneration the result development as well as other developments relevant to the company are, among other things, taken into account as well as non-financial indicators that are relevant to the long-term objectives of the company, all in consideration of the risks that variable remuneration may bring about for the company. In addition the level and the structure of the remuneration of executive board members is assessed by means of conducted scenario analyses. The pay differentials within the company are also taken into account.

When determining the aforementioned guiding principles the remuneration package is compared with that of a number of companies with a comparable scope, complexity, interest and result; the so-called peer group. When determining the total remuneration the median of the market of the peer group shall be used as a guiding principle. In this respect research is relied on that is conducted by an independent organisational consultancy agency. The supervisory board shall have the remuneration package assessed by an agency once every three years in order to be certain that the package complies with the guiding principles of the remuneration policy. In the interim years the remuneration can be adjusted on the basis of the signalled remuneration margin compared to the peer group and inflation. The executive board receives a remuneration that consists of a fixed and a variable component. The variable component has both a short-term and a long-term element. For the variable part the supervisory board annually sets financial and non-financial targets. The remuneration policy shall regularly be tested; changes in the policy shall be submitted to the general meeting for adoption.

### ***Remuneration package***

The total remuneration of the members of the executive board of ForFarmers consists of a basic salary, a short-term performance bonus, a long-term performance bonus, pension and other secondary employee benefits. In addition the CEO receives a fixed short term bonus of € 100,000 per year during the term of his current contract which must be used for the employee participation scheme for senior management. Members of the executive board moreover have the possibility of participating in a share participation programme for senior

management of ForFarmers. The executive board is not granted rights (options) to acquire (depository receipts for) shares. The company does not have a scheme that is related to a change of control of the company.

Prior to the adoption of the remuneration of individual executive board members the supervisory board of ForFarmers analyses the potential outcome of the variable remuneration components and the consequences thereof for the remuneration of the directors.

### ***Fixed basic salary***

The adjustment of the basic salary by the supervisory board, on the recommendation of the remuneration committee, basically takes place on 1 January. In this respect the personal performance, the results of the past years, the potential margin compared to the norm level and general adjustments in the remuneration market are taken into account.

### ***Performance bonuses***

Each and every member of the executive board qualifies for a short-term and/or long-term performance bonus of which the level depends on the realisation of objectives previously agreed on by and between the supervisory board and the executive board, which support the implementation of the strategic agenda of ForFarmers, with a responsible balance between a focus on the short term and a focus on the long term. The adoption of the level of the realised variable remuneration takes place by the supervisory board on the recommendation of the remuneration committee.

The external auditor of the company assesses the calculations with regard to the realisation of the financial targets of the short-term and long-term remuneration scheme.

### ***Short-term performance bonus***

The short-term performance bonus as a percentage of the fixed basic salary when realising all objectives amounts for:

- the CEO to 60% and a maximum of 72%; and
- each of the other members of the executive board to 40% and a maximum of 48%.

If the performances remain under 90% of a stipulated objective then a bonus shall not be paid for that objective. The maximum bonus for an objective shall be paid when the performances arrive at a minimum of 110% of the stipulated objective. When performances fall between 90% and 110% of the stipulated objective the bonus is always allocated proportionately. If 90% of the target is realised for none of the stipulated objectives then a bonus of 0% is paid out. The objectives for the short-term performance bonus consist for 70% of financial targets and for 30% of qualitative targets (as determined at the discretion of the supervisory board).

The short-term performance bonus consists of an annual fee in cash and is paid in the first following year, immediately after the annual accounts have been adopted in the annual General Meeting.

### ***Long-term performance bonus***

The remuneration policy moreover offers room for a remuneration for members of the executive board that rewards long-term improvement.

The level of the long-term performance bonus depends on the level that the performances to be delivered over a period of three years were realised. The performances to be delivered are, among other things, the development of the profit after taxes and the realisation of the strategy and sustainability objectives of the business. The performances to be delivered are established by the supervisory board on the recommendation of the remuneration committee. If the performance for a component remains under 90% of the stipulated objective then a

bonus shall not be paid for that component. The maximum bonus for an objective shall be paid if the realisation of the said objective arrives at a minimum of 110% of the stipulated objective. In case of performances between 90% and 110% of the stipulated objective the bonus is always paid proportionately. If 90% of the target is realised for none of the objectives then the bonus amounts to 0%. The objectives for the long-term performance bonus consist for 60% of financial targets and for 40% of qualitative targets (as determined at the discretion of the supervisory board).

The long-term performance bonus as a percentage of the fixed basic annual salary when realising all objectives for:

- the CEO amounts to 60% and a maximum of 72%; and
- each of the other members of the executive board amounts to 40% and a maximum of 48%.

In this respect the fixed basic annual salary is used as applicable on 1 January of the first year of the aforementioned period of three years.

The long-term performance bonus consists of a fee in cash and is paid at the end of the aforementioned period of three years, immediately after the annual accounts have been adopted in the annual General Meeting in the year after the end of that period.

### ***Share participation programme***

The members of the executive board are basically invited annually to participate in an employee participation scheme for senior management. Participants in this scheme can annually purchase (depository receipts for) shares for an amount not exceeding 70% of the gross amount of their short-term bonus that they receive in that year. For (depository receipts for) shares that are acquired within the framework of the aforementioned employee participation scheme a lock-up period of three years applies and a discount of 20% on the regular acquisition price that is granted in the form of additional (depository receipts for) shares. The supervisory board may determine that a member of the executive board can use other remuneration components for this.

Members of the executive board are not allocated (depository receipts for) shares and/or rights to (depository receipts for) shares as part of their remuneration. Participation in the share participation scheme is at the discretion of each individual executive board member. The supervisory board annually determines whether the employee participation scheme can be carried out.

### ***Claw-back***

The supervisory board is authorised to adjust the level of the not fixed part of the remuneration of executive board members of which the allocation fully or partly depends on the realisation of certain objectives or the occurrence of certain conditions to an appropriate level if payment thereof would not be appropriate according to the principles of reasonableness and fairness. The company (represented to this end by the supervisory board or the person designated for this purpose by the general meeting) is authorised to fully or partly claim back allocated bonuses to the extent that the payment took place on the basis of incorrect information regarding the realisation of the underlying objectives of the bonus or the conditions that the bonus depended on. This has all also been included in the agreements with the members of the executive board and the non-statutory board members.

### ***Pension***

The CEO receives a fixed fee for the accrual of a personal pension provision of 20% of the fixed salary. For the other members of the executive board up to a basic annual salary of € 100,000 the collective pension scheme including top-up scheme of ForFarmers on the basis of a defined contribution and a personal contribution of the participants applies. Above the aforementioned amount of € 100,000 they receive a fee for the accrual of a personal

pension provision. The contribution is comparable with the amount on pension contribution that was paid before the maximum threshold of € 100,000 was introduced.

***Other secondary employee benefits***

ForFarmers has a package of secondary employee benefits for the members of the board. This includes, among other things, schemes related to healthcare insurance and incapacity for work, an accident insurance, a car scheme, a directors' and officers' liability insurance and an expenses allowance. ForFarmers does not provide loans, guarantees and similar benefits to executive board members.

***Severance payment***

The current agreement with the CEO was concluded for a term up to the annual General Meeting in 2018. If the agreement with the CEO is terminated by the company then payment of his salary is continued up to the end of the contract term. The current agreements with the other members of the executive board were concluded for an open term. These agreements shall be converted into agreements for a fixed term in conformity with the maximum term of office as included in the Dutch Corporate Governance Code. Agreements with executive board members shall in the future basically be concluded for a term of four years and it shall be included that in case of early termination by the company at most once the fixed annual salary is paid. The same applies if an executive board member does not qualify for reappointment after four years. If this maximum of once the fixed annual salary for an executive board member who is dismissed in his first term of office is apparently unreasonable, at the discretion of the supervisory board, then the said executive board member shall in that case qualify for a severance payment of at most twice the fixed annual salary. The supervisory board is authorised not to allocate the aforementioned payment if the supervisory board is of the opinion that the reason for the dismissal would on the basis of the principles of reasonableness and fairness render the allocation of a severance payment of a fixed annual salary unacceptable.

***Non-statutory board members and other employees***

For the record it is noted that the remuneration of the non-statutory board members is adopted by the CEO after prior consultation with the supervisory board. The remuneration of the non-statutory board members and other employees takes place within the frameworks of this remuneration policy.

Lochem, 21 March 2016  
Supervisory Board