



**Explanatory notes to the agenda for the Annual General Meeting of Shareholders (the "AGM") of ForFarmers N.V. (the "Company") to be held on Thursday 26 April 2018**

## EXPLANATORY NOTES

1. Opening and announcements by the chairman of the Supervisory Board of the Company (the "Supervisory Board").

2. Report of the Executive Board of the Company (the "Executive Board").

2.1 Report of the Executive Board on the 2017 financial year (*for discussion*)

The Executive Board gives a presentation on the Company's results in 2017, as presented and described in the annual accounts and the report of the Executive Board. The most important points in the 2017 annual accounts and the report of the Executive Board are explained in more detail.

2.2 Report on the outlines of the corporate governance structure and compliance with the Dutch Corporate Governance Code (*for discussion*)

The chairman of the Supervisory Board reports on the outlines of the Company's corporate governance structure and its compliance with the Dutch Corporate Governance Code (the "Code").

3. 2017 annual accounts and dividend

3.1 Implementation of the remuneration policy (*for discussion*)

The chairman of the Remuneration Committee of the Supervisory Board gives an account of the implementation of the remuneration policy. A breakdown of the remuneration as referred to in Articles 2:383c to 2:383e inclusive of the Dutch Civil Code is included in the board report with the annual accounts for the 2017 financial year (Remuneration Report).

3.2 Explanation by the external auditor of the audit approach in relation to the 2017 annual accounts and report of the Executive Board (*for discussion*)

KPMG Accountants N.V. explains the audit approach.

3.3 Adoption of the 2017 annual accounts (*resolution*)

The annual accounts of the Company for the 2017 financial year are presented to the AGM for adoption.

3.4 Dividend distribution (*resolution*)

It is proposed to the AGM, based on the realised profit after taxes and with due observance of the dividend policy and the provisions of article 38 of the Company's articles of association (the "Articles of Association"), to distribute a dividend of € 0.30 per ordinary share. Payment will be exclusively in cash on 9 May 2018; the ex-dividend date has been set for 30 April 2018 and the record date, after processing of all entries and deletions as of that date, is 2 May 2018. Only shareholders, usufructuaries and pledgees who qualify as

shareholders in the capital of the Company at the stated record date will be eligible for receipt of dividend.

#### 4. Discharge

##### 4.1 Discharge of the members of the Executive Board (*to vote*)

It is proposed to the AGM to discharge each of the members of the Executive Board from liability for the performance of their duties during the 2017 financial year. The discharge extends to all actions undertaken by the Executive Board mentioned in the annual accounts and the report of the Executive Board for the 2017 financial year as well as those otherwise communicated to the AGM.

##### 4.2 Discharge of the members of the Supervisory Board (*resolution*)

It is proposed to the AGM to discharge each of the members of the Supervisory Board from liability for the performance of their duties during the 2017 financial year. The discharge extends to all actions undertaken by the Supervisory Board mentioned in the annual accounts and the report of the Executive Board for the 2017 financial year as well as those otherwise communicated to the AGM.

#### 5. Appointment of auditor to audit the 2018 annual accounts and the report of the Executive Board (*resolution*)

KPMG Accountants N.V. in Amstelveen conducted the audit of the annual accounts and the report of the Executive Board for the 2017 financial year. The Supervisory Board proposes to also appoint KPMG Accountants N.V. as the auditor for the 2018 financial year.

#### 6. Composition of the Executive Board

**Reappointment of Mr. Y.M. Knoop (CEO) as a member of the Executive Board of the Company (*resolution*)**

Mr. Y.M. Knoop was appointed as a member of the Executive Board with effect from 1 January 2014. His first four-year term expires on 26 April 2018 (after the AGM).

The Supervisory Board, in accordance with the Articles of Association, has submitted to the AGM a binding nomination of Mr. Knoop as a member of the Executive Board for a new four-year term expiring at the end of the AGM of 2022. If reappointed, Mr. Knoop will continue to fulfil the role of CEO of the Company. In accordance with the provisions of article 17.2 of the Articles of Association the AGM can overrule the binding nature of the nomination with a resolution adopted by over half of the votes cast in a meeting at which at least one-third of the issued share capital is represented.

Mr. Knoop's terms of employment are in accordance with the remuneration policy for the Executive Board as adopted by the AGM in 2017. The principal elements of the contract of assignment with Mr. Knoop were posted on the Company's website prior to the notice convening this AGM in accordance with best practice provision 3.4.2 of the Code.

## 7. Composition of the Supervisory Board

### 7.1 Appointment of Mr. R.H.A. Gerritzen as a member of the Supervisory Board (resolution)

The Supervisory Board, in accordance with the Articles of Association and at the recommendation of Coöperatie FromFarmers U.A. as holder of the priority share in the capital of the Company, has submitted to the AGM a binding nomination to appoint Mr. R.H.A. Gerritzen as a member of the Supervisory Board for a four-year term expiring at the end of the AGM of 2022.

This nomination was made to fill the vacancy on the Supervisory Board that arises as a result of the resignation of Mr. J.W. Eggink with effect from the end of this AGM.

Mr. Gerritzen is also a board member of Coöperatie FromFarmers U.A. and for this reason is not considered to be independent in the sense of best practice provision 2.1.8 of the Code. As explained in the Corporate Governance section of the report of the Executive Board for 2017, the Company deviates from best practice provision 2.1.7 of the Code in relation to members of the Supervisory Board who are also board members of Coöperatie FromFarmers U.A.

The personal details of Mr. Gerritzen as referred to in Article 2:42 paragraph 3 of the Dutch Civil Code and the motivation for his nomination are as follows:

Name	R.H.A. Gerritzen (Roger)
Age (as at the date of convening the meeting)	45 (born 12 April 1972)
(Prior) relevant positions	<p>Current positions:</p> <ul style="list-style-type: none"><li>• Chairman of the board of AgroPolen</li><li>• Board member of Coöperatie FromFarmers U.A.</li><li>• Active in agricultural family business</li></ul> <p>Prior positions:</p> <ul style="list-style-type: none"><li>• Head of M&amp;A and Integration at Dummen Orange</li><li>• CFO of Dummen Orange</li><li>• Head of Finance process improvement, controls and information at NXP</li><li>• Head of Group Consolidation and Reporting at Syngenta</li><li>• Global Controller at Syngenta's Flowers Business Unit</li><li>• CFO of StudioEU.com</li><li>• Operations Controller at Unilever</li></ul>
(Prior) relevant Supervisory Board positions	<p>Member of the Supervisory Board of:</p> <ul style="list-style-type: none"><li>• Genetwister Technologies (until June 2016)</li></ul>
Shares/depositary receipts for shares in ForFarmers N.V. (and/or options/rights to purchase)	Mr. Gerritzen holds no shares or depositary receipts for shares in ForFarmers N.V. and no participation

depository receipts/shares) and participation accounts of Coöperatie FromFarmers U.A.	accounts in Coöperatie FromFarmers U.A.
Motivation	Mr. Gerritzen has been nominated for appointment at the recommendation of Coöperatie FromFarmers U.A. on account of his broad experience in the agricultural sector, including at Coöperatie FromFarmers U.A. Given the current composition of the Supervisory Board the appointment of Mr. Gerritzen provides diversity in terms of background of professional experience.

## 7.2 Reappointment of Mrs. J.W. Addink-Berendsen as a member of the Supervisory Board (*resolution*)

The Supervisory Board, in accordance with the Articles of Association and at the recommendation of Coöperatie FromFarmers U.A. as holder of the priority share in the capital of the Company, has submitted to the AGM a binding nomination to reappoint Mrs. J.W. Addink-Berendsen as a member of the Supervisory Board for a four-year term expiring at the end of the AGM of 2022.

Mrs. Addink-Berendsen has been a member of the Supervisory Board since 2010. As stated before, the Company deviates from best practice provision 2.2.2 of the Code in relation to persons who were members of the Supervisory Board at 1 January 2017; for such persons, including Mrs. Addink-Berendsen, the Company applies the principle that they can be reappointed for a third term of four years.

Mrs. Addink-Berendsen is independent in the sense of best practice provision 2.1.8 of the Code.

The personal details of Mrs. Addink-Berendsen as referred to in Article 2:142 paragraph 3 of the Dutch Civil Code and the motivation for her nomination are as follows:

Name	J.W. Addink-Berensen (Sandra)
Age (as at the date of convening the meeting)	44 (born 27 November 1973)
(Prior) relevant positions	<p>Current position:</p> <ul style="list-style-type: none"> <li>Board member of Zuivelcoöperatie FrieslandCampina U.A.</li> </ul> <p>Prior positions:</p> <ul style="list-style-type: none"> <li>Accountant at Countus Accountants</li> </ul>
Relevant Supervisory Board positions	<p>Member of the Supervisory Board of:</p> <ul style="list-style-type: none"> <li>Royal FrieslandCampina N.V.</li> <li>Alfa Accountants</li> </ul>
Shares/depository receipts for	Mrs. Addink-Berendsen holds 9,640

shares in ForFarmers N.V. (and/or options/rights to purchase depositary receipts/shares) and participation accounts of Coöperatie FromFarmers U.A.	depositary receipts for shares in ForFarmers N.V. and 12,294 participation accounts of Coöperatie FromFarmers U.A.
Motivation	Mrs. J.W. Addink-Berendsen has been nominated for reappointment at the recommendation of Coöperatie FromFarmers U.A. on account of her experience as a dairy farmer, member of the Supervisory Board of Royal FrieslandCampina N.V. and board member of Zuivelcoöperatie FrieslandCampina U.A. In addition Mrs. Addink-Berendsen has earned experience as an accountant and is the only female member of the Supervisory Board. Given the current composition of the Supervisory Board the reappointment of Mrs. Addink-Berendsen provides diversity in terms of (i) background of professional experience and (ii) gender.

### 7.3 Reappointment of Mr. V.A.M. Hulshof as a member of the Supervisory Board (*resolution*)

The Supervisory Board, in accordance with the Articles of Association and at the recommendation of Coöperatie FromFarmers U.A. as holder of the priority share in the capital of the Company, has submitted to the AGM a binding nomination to reappoint Mr. V.A.M. Hulshof as a member of the Supervisory Board for a four-year term expiring at the end of the AGM of 2022.

Mr. Hulshof has been a member of the Supervisory Board since 2014.

Mr. Hulshof is also a board member of Coöperatie FromFarmers U.A. and for this reason is not considered to be independent in the sense of best practice provision 2.1.8 of the Code.

The personal details of Mr. Hulshof as referred to in Article 2:142 paragraph 3 of the Dutch Civil Code and the motivation for his nomination are as follows:

Name	V.A.M. Hulshof (Vincent)
Age (as at the date of convening the meeting)	55 (born 19 September 1962)
(Prior) relevant positions	<p>Current positions:</p> <ul style="list-style-type: none"> <li>Board member of Coöperatie FromFarmers U.A.</li> </ul> <p>Prior positions:</p> <ul style="list-style-type: none"> <li>Board member of Coöperatie Topigs</li> <li>Chairman of the Supervisory Board of KI Nederland</li> </ul>

	<ul style="list-style-type: none"> <li>• Board member of VAC</li> <li>• Board member of Coöperatie Dumeco</li> <li>• Board member of the regional association of pig farmers in the regional organisation GLTO</li> <li>• Board member of the health service in the province of Gelderland</li> </ul>
(Prior) relevant Supervisory Board positions	Member of the Supervisory Board of: <ul style="list-style-type: none"> <li>• N/A</li> </ul>
Shares/depositary receipts for shares in ForFarmers N.V. (and/or options/rights to purchase depositary receipts/shares) and participation accounts of Coöperatie FromFarmers U.A.	Mr. Hulshof holds no shares and/or depositary receipts for shares in ForFarmers N.V. but holds 8,640 participation accounts in Coöperatie FromFarmers U.A.
Motivation	Mr. Hulshof has been nominated for reappointment at the recommendation of Coöperatie FromFarmers U.A. on account of his experience as a pig farmer, and as a board member of various cooperatives in the sector, including Coöperatie FromFarmers U.A. Given the current composition of the Supervisory Board the reappointment of Mr. Hulshof provides diversity in terms of background of professional experience.

In relation to agenda items 7.1, 7.2 and 7.3 and in accordance with the provisions of article 23.2 of the Articles of Association the AGM can overrule the binding nature of a nomination with a resolution adopted by over half of the votes cast in a meeting at which at least one-third of the issued share capital is represented.

**8. Designation regarding the issue of shares, the granting of rights to subscribe to shares and the restriction or exclusion of the pre-emptive right (*resolution*)**

**8.1 Designation of the Executive Board as the body authorised – subject to the approval of the Supervisory Board – to issue ordinary shares and to grant rights to subscribe to ordinary shares for a period of 18 months from the date of this AGM (*resolution*)**

It is proposed to designate the Executive Board as the body authorised – subject to the approval of the Supervisory Board – to issue ordinary shares and to grant rights to subscribe to ordinary shares. This authority shall be limited to 10% of the issued ordinary shares with an additional 10% (both as determined at the close of trade on the date of the AGM) in the event of mergers, acquisitions or strategic partnerships. The AGM shall remain authorised for the percentage that has not been delegated to the Executive Board.

The Executive Board is permitted to exercise this authority at its sole discretion, subject to the approval of the Supervisory Board. This enables the

Executive Board to, for instance, respond in a timely manner in relation to the financing of the Company. The issue of shares can furthermore serve for example to meet obligations arising from any share schemes but can also be used as a tool for financing (parts of) mergers, acquisitions or strategic partnerships.

The designation is requested for a period of 18 months, starting from the date of this AGM, in accordance with current corporate governance practice. The designation granted by the AGM on 26 April 2017 will expire on adoption of this proposed resolution.

**8.2 Designation of the Executive Board as the body authorised – subject to the approval of the Supervisory Board – to restrict or exclude the pre-emptive right of shareholders for a period of 18 months from the date of this AGM (*resolution*)**

It is proposed to designate the Executive Board as the body authorised – subject to the approval of the Supervisory Board – to restrict or exclude the pre-emptive right in the event of the issue/granting of rights to subscribe to shares pursuant to the delegation of authorities as set out under agenda item 8.1. In accordance with these delegations this designation is limited to a period of 18 months, starting from the date of this AGM. The designation granted by the AGM of 26 April 2017 will expire on adoption of this proposed resolution.

**9. Authorisation of the Executive Board – subject to the approval of the Supervisory Board – to have the company acquire, other than for no consideration, shares (of any category) (*resolution*)**

It is requested to authorise the Executive Board – subject to the approval of the Supervisory Board and subject to the statutory provisions and the provisions set out in the Articles of Association – to have the Company acquire (other than for no consideration) shares and/or depositary receipts for shares (of any category) in its own capital up to a maximum of 10% of the issued share capital of the Company (as determined at the close of trade on the date of the AGM).

The shares or depositary receipts for shares may be acquired on the stock exchange or otherwise, in direct transactions with shareholders, in block trades, by means of derivatives or otherwise at a price per share (or depositary receipt) of between nil and 110% of the average closing price of the ordinary shares on the regulated Euronext Amsterdam market operated by Euronext Amsterdam N.V., calculated over five trading days prior to the date of acquisition.

This purchase authorisation provides the Executive Board – subject to the approval of the Supervisory Board – with the required flexibility for example to meet obligations in relation to share-based (or depositary receipt-based) incentive schemes.

This authorisation applies for a period of 18 months from the date of this AGM. The authorisation as granted by the AGM of 26 April 2017 will expire on adoption of this proposed resolution.

**10. Retirement schedule of the Supervisory Board (*for information*)**



As of the date of the notice convening the AGM the retirement schedule of the Supervisory Board is as follows.

Name	Year of last appointment	Eligible for reappointment in	To retire no later than in
Addink-Berendsen J.W. (*)	2014	2018	2022
Eggink J.W. (*)	2014		2018
Wunnekink W.M. (*)	2015	2019	2027
C. de Jong (**)	2017	2021	2029
Rijn C.J.M. van (*)	2016	2020	2024
Hulshof V.A.M. (*)	2014	2018	2026

(\*) The Company deviates from best practice provision 2.2.2 of the Code in relation to persons who were members of the Supervisory Board on 1 January 2017; for such persons the Company applies the principle that they can be reappointed for a third term of four years.

(\*\*) Members of the Supervisory Board who have been or are appointed after the aforementioned date are in principle subject to best practice provision 2.2.2 of the Code.

11. Any other business

12. Closing