



**Regulations Audit Committee
ForFarmers N.V.**

REGULATIONS AUDIT COMMITTEE FOR FARMERS N.V.

This document concisely describes the role, duties, responsibilities, and organisation of the Audit Committee of the Supervisory Board of ForFarmers N.V. For the definitions used in this document, reference is made to the Regulations of the Supervisory Board as from time to time applicable.

Role

Article 1

- 1.1** The Audit Committee has the objective of supporting the Supervisory Board in its supervisory duties and responsibilities in the area of:
- a.** external financial reporting, accounting audit, and application of guidelines for the annual reporting;
 - b.** appointment and performance of the external auditor;
 - c.** quality and effectiveness of internal financial and management reports as well as systems for internal risk management and control; and
 - d.** compliance with internal procedures and with legislation and regulations and the operation of codes of conduct.
- 1.2** The Audit Committee prepares and initiates the decision-making in the Supervisory Board. The Audit Committee does not have independent decision-making power; the full responsibility is vested in the Supervisory Board.

Duties, responsibilities, and authorities

Article 2

- 2.1** The duties of the Audit Committee are as follows:
- A.** Assessment of the external reporting, including:
 - Supervision of the provision of financial information by the Company (including, in particular, that which is stated below in this section A);
 - Assessment of drafts of the semiannual management report and the annual management report;
 - Assessment of adequate application of guidelines for the annual reporting;
 - Assessment of risk areas, including the tax position, funding, foreign exchange position, important disputes, and unusual transactions as well as the adequacy of provisions for this; and
 - Deliberation of the opinion of the external auditor regarding the six-monthly / annual accounts.
 - B.** Performance of external auditor, including:
 - Advising the Supervisory Board on appointment of the external auditor and designation of the lead partner, such in consideration of applicable legislation and regulations;
 - Advice on and assessment of the independence, the remuneration, and the instructing for the performance of (non-) audit activities by the external auditor;
 - Assessment of scope and quality of the accounting audit;

- Assessment of the audit plan;
- Assessment how the external auditor is involved in the content and publication of financial messages (both the annual accounts and otherwise);
- Annual reporting to the Supervisory Board about the developments in the relationship with the external auditor, including in particular his independence (including the desirability of circulation of responsible partners and the performance of non-audit activities for the Company by the same firm) and remuneration; and
- Annual assessment of the performance of the external auditor in the various entities and capacities in which the external auditor acts.

C. Assessment of the functioning of the internal risk management and control systems, including:

- Supervision of the compliance with internal procedures and with legislation and regulations and the operation of codes of conduct;
- Supervision of and following up on potentially important shortcomings in the internal risk management and control systems;
- Assessment of the sufficiency of the internal financial and management reports;
- Assessment of the funding and the relevant policy;
- Assessment of the tax policy (“tax planning”) and special issues;
- Assessment of the work plan of the internal control and taking note of the findings of the internal control (including assessment of the role and the functioning of the internal control);
- Assessment of the adequacy of the compliance with recommendations and follow-up of comments from the external auditor and of the internal control; and
- Assessment of the application of the relevant information and communication technology (including risks in the area of cyber security).

D. Compliance, including:

- Assessment of the system of authorities within the business;
- Assessment of internal guidelines, codes of conduct, and – more in general – the “management culture”;
- Assessment of the independence of executive board directors and supervisory board members; and
- Discussion and assessment of irregularities.

- 2.2** Otherwise the Audit Committee can focus on other issues in the area of finances or internal control, on its own initiative or at the request of the Supervisory Board.
- 2.3** The Executive Board is responsible for a timely, correct, and complete supply of information to the Audit Committee. The Audit Committee is authorised, within its area of responsibility, to request any and all information within or outside the business that it deems necessary. If so required it obtains legal or other professional advice.
- 2.4** On the basis of its assessment the Audit Committee reports to the Supervisory Board. It informs the latter of its most important considerations and findings as also of circumstances and issues that are of essential importance to the decision-making by the Supervisory Board.

Organisation

Article 3

- 3.1** The Audit Committee is composed from the Supervisory Board and basically consists of two members. The members will be appointed and dismissed by the Supervisory Board.
- 3.2** One of the members acts as the chairman, not being the chairman of the Supervisory Board or a former director of the Company.
- 3.3** The members of the Audit Committee dispose of experience and expertise in the financial area, including accounting standards, bookkeeping and control.
- 3.4** At least half of the members of the Audit Committee is independent within the meaning of section 2.1.8 of the Code.
- 3.5** The Audit Committee meets at least twice a year. Meetings can be convened by each of the committee members.
- 3.6** The Audit Committee, through its chairman, determines if and when the CEO, the CFO, the external auditor and the internal auditor attend its meetings. One of the members of the Executive Board basically acts as the secretary, except in the event of a discussion as specified in Article 3.7; this duty may be delegated to the corporate secretary. The corporate secretary can function as secretary in the meeting specified in Article 3.7.
- 3.7** At least once a year the chairman of the Audit Committee or the plenary Audit Committee discusses the course of the business affairs with the external auditor, without the presence of the Executive Board. The Audit Committee is the first point of contact of the external auditor if the latter observes irregularities in the content of the financial messages.
- 3.8** The secretary prepares the agenda of the committee meetings in a timely fashion in consultation with the chairman and provides for the report of the meeting. This report is made available to the committee members and to the other members of the Board of Supervisory Directors as soon as possible as also to the Executive Board and the external auditor, to the extent that the subject matters of the report permit this.

Incidental dissolution and modification of these regulations

Article 4

- 4.1** The Audit Committee can decide, with approval from the Supervisory Board, not to apply incidental decisions to these regulations. Such a decision will be reported in the report from the Supervisory Board.
- 4.2** The Supervisory Board can decide to modify these regulations. Such a decision will be reported in the report from the Supervisory Board.

Applicable law and forum

Article 5

- 5.1** These regulations are subject to and must be interpreted through application of Dutch law.
- 5.2** The District Court in Amsterdam is exclusively authorised to acknowledge each dispute regarding these regulations, including disputes regarding the existence, the validity, the application, the interpretation and the termination of these regulations.

Entry into force and publication of these regulations

Article 6

These regulations take effect on 25 October 2017 and are posted on the website of the Company. The regulations were established in the meeting of the Supervisory Board of 25 October 2017.