



Remuneration policy

The Supervisory Board, at the recommendation of the Remuneration Committee, formulates the remuneration policy for a) the Executive Board (hereinafter referred to as: the 'Executive Board') and b) the Supervisory Board (hereinafter referred to as: the 'Supervisory Board') of the company. The remuneration policy and any changes to it are subject to adoption by the general meeting of shareholders of ForFarmers N.V. (hereinafter referred to as: 'ForFarmers' or the 'company'). Within the adopted remuneration policy the Supervisory Board, once again at the recommendation of the Remuneration Committee, establishes the remuneration of the individual members of the Executive Board. The regulations of the Remuneration Committee are published on the ForFarmers website.

At the recommendation of the Remuneration Committee the Supervisory Board may deviate from this policy under exceptional circumstances (i.e. circumstances in which it is essential to deviate from the remuneration policy to protect the long-term interests and sustainability of the company as a whole or to guarantee its viability) on the understanding that any such deviation shall be temporary and shall only last until a new remuneration policy has been established. This is reported on in the remuneration report.

The policy is aimed at attracting qualified persons with consideration for the interests of stakeholders in order to support the sustained success of the company and its affiliated enterprise and promote long-term value creation in a way that is consistent with the identity, culture, mission and values of the company.

A. Remuneration policy for the Executive Board

For the purposes of this remuneration policy the term 'Executive Board' comprises only the statutory directors and not those persons who are referred to as directors (the 'non-statutory directors') but are not statutory board members.

Basic principles

The following basic principles are taken into consideration in formulating and implementing the remuneration policy.

The Dutch Corporate Governance Code

Prior to formulating this remuneration policy the Supervisory Board considered the aspects (insofar as these are applicable to ForFarmers) as formulated in best practice provision 3.1.2 of the Dutch Corporate Governance Code 2016 (hereinafter referred to as: the 'Code').

The remuneration policy for the Executive Board is aimed at attracting, retaining and motivating qualified persons in order to realise ForFarmers' objectives. Commitment to the identity, mission and values of ForFarmers as well as diversity, experience with national and international activities comparable to those at ForFarmers and the necessary management qualities all play an important role in this. The remuneration policy takes into account the long-term interests of customers, employees, shareholders and other stakeholders of ForFarmers and is consistent with the company's mission to create long-term value by making a meaningful contribution to more efficient and sustainable production of meat, eggs and dairy products ('For the Future of Farming'), partly in view of the importance of this to society. The policy is furthermore aimed at getting highly-qualified officials, including from other industries, interested in a job at ForFarmers and retaining them.

Variable remuneration with due regard for risks

The variable part of the remuneration is determined with due consideration for factors including the result development as well as other developments relevant to the company, including non-financial indicators that are relevant to the long-term objectives of the company, all with due regard for the risks that variable remuneration may entail for the company. The remuneration policy does not encourage the taking of inappropriate risks. Furthermore the level and structure of the remuneration of members of the Executive Board is assessed by conducting scenario analyses.

Pay ratios

Factors taken into account in assessing the level and structure of the remuneration also include the pay ratios and other terms of employment within the company. Pay ratios are determined based on the total direct remuneration, i.e. the fixed salary and the (short-term and long-term) variable remuneration of all ForFarmers employees. Factors including the countries where ForFarmers is currently active mean that this is a relatively uniform and representative peer group. This basic principle will be reviewed on an annual basis and may be adjusted by the Supervisory Board if this is necessary to keep the peer group representative. The pay ratios during the year under review are reported on in the remuneration report.

Peer group

The remuneration package is compared to that of a number of companies of a similar size, complexity, interest and result: what is known as the peer group. The peer group consists of the companies ranked 15 to 25 in the AMX (midcap index) and the companies ranked 1 to 10 in the AScx (small cap index) (hereinafter: the 'peer group'). The Supervisory Board has the authority to make adjustments in order to keep the group relevant in the context of the remuneration policy, should developments in the peer group give cause for this.

Regular review

The fixed basic salary is determined using the median of the peer group as a guiding principle, based on the results of a survey conducted by an independent management consultancy. If the fixed basic salary is below the median, it will in principle be increased (in stages) until the median has been reached. If the fixed basic salary is above the median then there will in principle be no increase, and only inflation adjustment will be applied. The decision on whether or not to implement an increase (in stages) is at the full discretion of the Supervisory Board. The Supervisory Board shall have the

remuneration package assessed by a consultancy once every three years in order to ascertain that the package is consistent with the guiding principles of the remuneration policy. In the intervening years the fixed basic salary may be adjusted, for example to reflect inflation, this at the full discretion of the Supervisory Board. The Executive Board receives a remuneration consisting of a fixed and a variable component, with the variable component having both a short-term and a long-term element. Each year the Supervisory Board sets financial and non-financial targets for the variable component. The remuneration policy shall be reviewed regularly and any changes in the policy shall be submitted to the general meeting of shareholders for adoption.

Remuneration package

The total remuneration of the members of the Executive Board of ForFarmers consists of a basic salary, a short-term variable remuneration, a long-term variable remuneration, pension and other secondary terms of employment. In addition members of the Executive Board are able to take part in a share participation programme for the senior management of ForFarmers. No shares or depositary receipts of shares and/or rights (options) to shares or depositary receipts of shares are allocated to members of the Executive Board as part of their remuneration. The company does not have a scheme relating to a change of control of the company.

Prior to determining the remuneration of individual Executive Board members the Supervisory Board of ForFarmers analyses the aspects referred to in best practice provision 3.1.2 of the Code, based on a proposal from the Remuneration Committee. In formulating the proposal for the remuneration of Executive Board members the Remuneration Committee takes account of the views of the individual Executive Board members with regard to the level and structure of their own remuneration.

Fixed basic salary

As a rule, the adjustment of the basic salary by the Supervisory Board, at the recommendation of the Remuneration Committee, takes place on 1 January. Factors taken into consideration in the adjustment include inflation (compared to the previous year), the pay ratios within the company and, once every three years, the result of the survey conducted by an independent management consultancy. Any adjustment of the basic salary is at the full discretion of the Supervisory Board.

Variable remuneration

Each member of the Executive Board qualifies for a short-term and/or long-term variable remuneration, the level of which will depend on the realisation of targets agreed previously by the Supervisory Board and the Executive Board. These targets will support the implementation of the strategic agenda, the long-term interests and the sustainability of ForFarmers, with a responsible balance between short-term and long-term focus. The level of the actual variable remuneration, both the short-term and the long-term component, is set by the Supervisory Board at the recommendation of the Remuneration Committee, using the following method.

Performance score for financial targets	Variable remuneration
< 90% of a target	No variable remuneration for that target

90% - 110% of the target	Proportional allocation of the variable remuneration for that target
≥ 110% of the target	Maximum variable remuneration for that target

If none of the targets achieves a performance score of at least 90% then no variable remuneration will be paid. The targets for the short-term and long-term variable remuneration consist of 60%-70% financial targets and 30%-40% qualitative targets (as determined by the Supervisory Board). With regard to the realisation of one or more targets the Supervisory Board has the option of using percentages of 80%-120% instead of the aforementioned percentages of 90%-110%. The calculations relating to the realisation of the financial targets of the short-term and long-term remuneration scheme are reviewed by the company's external auditor.

In setting the qualitative targets the minimum, the envisaged and the maximum realisation levels are defined in advance. The variable remuneration is paid on a pro rata basis whereby the performance score is between the minimum and the maximum realisation level. If the minimum performance level is not reached no variable remuneration will be paid for that target.

Short-term variable remuneration

The level of the short-term variable remuneration depends on the extent to which the targets were achieved over a period of one year.

The financial targets for the short-term variable remuneration are related to the net profit (of business units) of ForFarmers while the qualitative targets are aimed at one or more of the following elements: financial control (management of receivables), the M&A portfolio, operational effectiveness ('supply chain'), initiatives and reporting in the area of marketing, strategy and sustainability (including health and safety), the promotion of the identity, mission and values of ForFarmers, customer satisfaction, employee commitment and/or team development. The Supervisory Board is also free to set other financial and/or qualitative targets which it considers to be relevant to implementing the strategic agenda of ForFarmers. The targets are set by the Supervisory Board at the recommendation of the Remuneration Committee.

The short-term variable remuneration as a percentage of the fixed basic salary on realising all the targets equals 60% for the CEO and 40% for all other members of the Executive Board.

In the event that all targets are exceeded the CEO may receive a short-term variable remuneration of up to 72% and each of the other members of the Executive Board up to 48%. With regard to the aforementioned percentages it should be noted that the maximum is always 120% compared to the percentage on realising the target (even if the realisation level exceeds 110%).

The short-term variable remuneration consists of a cash payment for the year and is paid in the following year, immediately after the adoption of the annual accounts by the annual general meeting of shareholders for that year.

Long-term variable remuneration

The remuneration policy furthermore allows for a remuneration for members of the Executive Board that rewards improvement in the position, interests and sustainability of ForFarmers in the long term.

The level of the long-term variable remuneration depends on the extent to which the targets were achieved over a period of three years. The financial targets are the development of the earnings per share (EPS) after tax, the development of the share value (Total Shareholder Return – TSR*) compared to the peer group and/or return on average capital employed (ROACE), while the qualitative targets concern one or more of the following topics: the M&A portfolio, operational effectiveness, initiatives and reporting in the areas of marketing, strategy and sustainability (including health and safety), the promotion of the identity, mission and values of ForFarmers, customer satisfaction and/or employee commitment. The Supervisory Board is also free to set other financial and/or qualitative targets which it considers to be relevant to implementing the strategic agenda of ForFarmers. The targets are set by the Supervisory Board at the recommendation of the Remuneration Committee.

The long-term variable remuneration as a percentage of the fixed basic annual salary on realising all the targets equals 60% for the CEO and 40% for all other members of the Executive Board. In the event that all targets are exceeded the CEO may receive a long-term variable remuneration of up to 72% and each of the other members of the Executive Board up to 48%. This is calculated based on the fixed basic annual salary as at 1 January of the first year of the three-year period referred to earlier. With regard to the aforementioned percentages it should be noted that the maximum is always 120% compared to the percentage on realising the target (even if the realisation level exceeds 110%).

The long-term variable remuneration consists of a cash payment and is paid at the end of the aforementioned three-year period, immediately following the adoption of the annual accounts by the annual general meeting of shareholders for the year following the end of that period.

***Total Shareholder Return**

TSR is measured by establishing the total return for shareholders (share price development plus dividends) of the ForFarmers share over a period of three financial years. The calculation is based on the average share price in the three months prior to the start of the performance period and the three months leading up to the end of the performance period. This total shareholder return is then compared to that of the peer group.

The percentage of the long-term variable remuneration allocated based on TSR is determined based on ForFarmers' position in the peer group. The calculations in relation to the TSR target are performed by an independent consultant. The variable remuneration allocated based on a position in the peer group is determined using a scale set by the Supervisory Board.

Guaranteed variable remuneration

Guaranteed variable remuneration is variable remuneration that is not, or only to a very limited extent, dependent performance criteria. ForFarmers applies the principle of performance-related pay

as a basis for variable remuneration. As a rule, ForFarmers therefore does not pay a guaranteed variable remuneration.

By exception, a guaranteed variable remuneration is permitted when attracting and appointing new executives. A guaranteed variable remuneration can be granted over part or all of the financial year in which an Executive Board member is appointed, given that no targets for variable remuneration were set for this executive before the start of the financial year and this executive was not involved in setting the budget for the financial year. In this case the guaranteed variable remuneration will be in line with the variable remuneration that would be paid in the event the targets were achieved.

Compensation for previous employment contracts

The Supervisory Board can grant a remuneration as compensation for contracts relating to previous positions of employment.

Share participation plan

In principle the members of the Executive Board are invited annually to take part in an employee participation plan for senior management. Every year participants in the plan may purchase shares or depositary receipts of shares for an amount not exceeding the maximum gross amount of the short-term variable remuneration for which they are or may be eligible based on their contract (regardless of whether variable remuneration is actually allocated or paid out in a given year). Shares or depositary receipts of shares purchased in the context of the aforementioned employee participation plan are subject to a lock-up period of five years and to a discount of 20% on the regular purchase price, which is granted in the form of allocation of additional shares or depositary receipts of shares.

Members of the Executive Board are not allocated shares or depositary receipts of shares and/or rights to shares or depositary receipts of shares as part of their remuneration. Participation in the share participation plan is at the discretion of each individual Executive Board member. The implementation of and/or participation in the employee participation plan in any year does not entitle Executive Board members to implementation of and/or participation in the plan in a subsequent year. The Supervisory Board determines on an annual basis whether the employee participation plan can be implemented.

Share ownership by members of the Executive Board

ForFarmers aims for Executive Board members to hold shares or depositary receipts of shares in ForFarmers for an amount equal to at least two times their gross fixed annual salary. Insofar as members of the Executive Board have not used an amount equal to at least two times their fixed gross annual salary to purchase shares or depositary receipts of shares in ForFarmers they shall aim to achieve this within a period of four years by taking part in the employee participation plan. Members of the Executive Board hold their shares in ForFarmers for the long term; this means at least five years for shares or depositary receipts of shares purchased through the employee participation plan and at least three years for shares purchased by any other means.

Clawback

The Supervisory Board is authorised to adjust the level of the variable part of the remuneration of Executive Board members of which the allocation is wholly or partly dependent on the realisation of

certain targets or the presence of certain circumstances to an appropriate level if payment thereof would be unacceptable according to the principles of reasonableness and fairness. Furthermore the company (represented to this end by the Supervisory Board or a person designated for this purpose by the general meeting of shareholders) is authorised to claw back all or part of the variable remuneration granted insofar as the payment was based on incorrect information about the realisation of the targets underlying the variable remuneration or about the circumstances upon which the variable remuneration had been made conditional. The foregoing has also been incorporated in the agreements with the members of the Executive Board and the non-statutory directors.

Pension

Members of the Executive Board receive an amount of up to 20% of their fixed salary towards their pension contribution. This amount is partly determined by an actuarial calculation taking into consideration the age of the Executive Board member concerned. The defined contribution scheme is aimed at the annual accrual of pension entitlements.

Transitional pension scheme

The COO who is currently part of the Executive Board is covered by the collective pension scheme including the top-up scheme of ForFarmers based on defined contribution and a personal contribution by the participants up to the maximum basic annual salary permitted by law (as set annually by the government). Above the maximum basic annual salary permitted by law they receive a payment towards the accrual of an individual pension provision. The contribution is similar to the amount of the pension contribution that was paid before the introduction of a ceiling. This transitional scheme will expire as soon as the COO to whom this scheme applies is no longer part of the Executive Board of ForFarmers or agrees with ForFarmers that the scheme as described in the previous paragraph ('Pension') is applicable.

Other secondary terms of employment

ForFarmers has a package of secondary terms of employment for the members of the Executive Board. These include schemes for healthcare insurance and incapacity for work, accident insurance, a company car scheme, directors' liability insurance and an expense allowance. ForFarmers does not provide loans, guarantees and similar benefits to Executive Board members.

Executive Board contracts and severance pay

The contracts of the members of the Executive Board are fixed-term contracts in accordance with the maximum term of office as set out in the Code. Contracts with Executive Board members are in principle concluded for a period of four years and include the provision that in case of early termination by the company an amount of up to one time the fixed annual salary shall be payable. Executive Board members who are not eligible for reappointment after four years also receive a maximum of one time the fixed annual salary in severance pay. No severance payment is due if the contract is terminated early at the instigation of the Executive Board member or if the Executive Board member has acted in a seriously culpable or negligent way. The Supervisory Board is furthermore authorised to refrain from allocating the aforementioned payment or to set it at a lower amount if the Supervisory Board is of the opinion that the reason for dismissal would render the allocation of a severance payment equalling one time fixed annual salary unacceptable according to

the principles of reasonableness and fairness. The severance payment is made directly after termination of the contract. Early termination of a contract with a member of the Executive Board is subject to a notice period of at least three months for the Executive Board member concerned and six months for the company.

Non-statutory board members and other employees

For the record it should be noted that the remuneration of non-statutory directors is determined by the CEO within the applicable salary system of ForFarmers as approved by the Supervisory Board and after prior consultation with the Supervisory Board. The remuneration of non-statutory directors and other employees is bound by the framework of this remuneration policy.

B. Remuneration policy for the Supervisory Board

Basic principles

The remuneration policy for the Supervisory Board is aimed at attracting qualified persons to supervise the way in which the Executive Board executes the strategy for long-term value creation of the company and its affiliated enterprise. Commitment in terms of the identity, mission and values of ForFarmers play an important role in this, as do the behavioural skills stated in the Supervisory Board profile and diversity aspects relevant to the company. The remuneration of the Supervisory Board is compared to the peer group, which is the same for the Supervisory Board as for the Executive Board. The Supervisory Board has the authority to make adjustments in order to keep the group relevant in the context of the remuneration policy, should developments in the peer group give cause for this. The Supervisory Board takes into consideration the long-term interests of customers, employees and other stakeholders of ForFarmers in formulating and implementing the remuneration policy. In doing so the Supervisory Board is mindful of the mission of ForFarmers to create long-term value by making a meaningful contribution to more efficient and sustainable production of meat, eggs and dairy products ('For the Future of Farming').

The remuneration for members of the Supervisory Board encourages proper performance of the job and is not dependent on the company's results. The remuneration of members of the Supervisory Board reflects the time commitment and responsibilities associated with the job.

Remuneration of the Supervisory Board

The median of the peer group will be taken as the guiding principle in the proposal to determine the fixed remuneration for the Supervisory Board, using the results of a survey conducted by an independent management consultancy. The Supervisory Board shall have its remuneration assessed by a consultancy once every three years in order to ascertain that it is consistent with the guiding principles of the remuneration policy. The fixed remuneration may not be adjusted in the intervening years. Supervisory Board members do not receive a variable remuneration.

Any proposal to adjust the remuneration for the Supervisory Board shall be submitted to the general meeting of shareholders for adoption. The remuneration for the Supervisory Board for the period 2020-2022 is as follows:

	Proposed annual fixed remuneration (from 1 January 2020)	Current annual fixed remuneration (until 31 December 2019)
Supervisory Board		
Chairman of the Supervisory Board	€ 65,000	€ 60,000
Vice-chairman/general deputy of the Supervisory Board	€ 50,000	€ 46,000
Members of the Supervisory Board	€ 45,000	€ 43,000
Committees*		
Chairman of the Audit Committee	€ 10,000	€ 10,000
Other members of the Audit Committee	€ 7,000	€ 7,000
Chairman of the Remuneration Committee	€ 7,500	€ 7,500
Other members of the Remuneration Committee	€ 6,000	€ 6,000
Chairman of the Selection and Appointment Committee	€ 7,500	€ 7,500
Other members of the Selection and Appointment Committee	€ 6,000	€ 6,000

*Note: the remuneration for committee members is in addition to the basic remuneration for Supervisory Board members. The figures in the table are gross amounts.

In addition to their fixed remuneration members of the Supervisory Board receive a fixed annual expense allowance of € 500. Furthermore the Supervisory Board, at the proposal of the Remuneration Committee, may grant an additional remuneration of up to € 15,000 (gross) to members of the Supervisory Board who have fulfilled an extra task, as a result of which these Supervisory Board members have devoted a disproportionate amount of time compared to the normal time commitment of Supervisory Board members. This remuneration shall only be granted in exceptional circumstances and shall be determined by the Supervisory Board. The amount of the remuneration granted shall be published in the remuneration report.

Share ownership by members of the Supervisory Board

Members of the Supervisory Board who are/were not also a member of Coöperatie FromFarmers U.A. do not hold shares or depositary receipts of shares in ForFarmers. Members of the Supervisory Board do not receive remuneration in the form of shares or depositary receipts of shares. Furthermore members of the Supervisory Board are not eligible to take part in the ForFarmers employee share participation plan.

Revised policy

This remuneration policy has been revised in order to comply with the new requirements for the content of the remuneration policy pursuant to the new article 2:135a of the Dutch Civil Code.

Adopted by the General Meeting of Shareholders on ____.