



Sligro Food Group N.V.

Rules of the

Remuneration and Appointments Committee of the  
Supervisory Board

of

Sligro Food Group N.V.

These Rules were adopted by the Supervisory Board of Sligro Food Group N.V. on 4 December 2017, pursuant to Article 6.2 of the Supervisory Board Rules, and replace the Rules adopted by the Supervisory Board on 13 May 2015.

## **Article 1. Definitions**

- 1.1. In these Rules, the following terms shall have the meanings given:
- Executive Board: the Executive Board of the Company;
  - Corporate Governance Code: the Corporate Governance Code of 8 December 2016, as amended from time to time;
  - Supervisory Board: the Supervisory Board of the Company;
  - Rules: these Rules of the Remuneration and Appointments Committee, as amended from time to time and most recently amended on 4 December 2017;
  - Rules of the Supervisory Board: the Rules of the Supervisory Board, as amended from time to time and most recently amended on 4 December 2017;
  - Remuneration and Appointments Committee: the Remuneration and Appointments Committee of the Supervisory Board;
  - Articles of Association: the Articles of Association of the Company, as amended from time to time and most recently amended on 4 April 2015;
  - Company: Sligro Food Group N.V., established in Veghel;

## **Article 2. Status and content of the Rules**

- 2.1. Where these Rules conflict with Dutch law or the Articles of Association, the law and the Articles of Association shall prevail. Where these Rules are consonant with the Articles of Association but run contrary to Dutch law, the law shall prevail. If any of the provisions of these Rules is not or ceases to be applicable, this will not affect the validity of the other provisions. The Supervisory Board shall replace the invalid provisions by valid provisions, the effect of which, in terms of their content and purpose, is as close as possible to that of the invalid provisions.
- 2.2. These Rules have been drawn up in accordance with the Corporate Governance Code.

- 2.3. These Rules have been published on the Company's website: [www.sligrofoodgroup.nl](http://www.sligrofoodgroup.nl), under Corporate Governance, from where they can be downloaded.

### **Article 3. Duties and responsibilities of the Remuneration and Appointments Committee**

- 3.1. Without prejudice to Article 6.1 of the Supervisory Board Rules, the Remuneration and Appointments Committee advises the Supervisory Board concerning its duties and makes preparations for decisions on the part of the Supervisory Board concerning remuneration and the selection and appointment of members of the Executive Board and the Supervisory Board.
- 3.2. The Remuneration and Appointments Committee's duties regarding *remuneration* concern:
- a. analysing the possible outcomes of the variable remuneration components and the consequences thereof for the remuneration of the Executive Board members and analysing the possible applicability of the clawback provisions contained in Section 2:135 of the Netherlands Civil Code;
  - b. putting a proposed resolution to the Supervisory Board for adoption by the General Meeting regarding the remuneration policy to be pursued for the Executive Board;<sup>1</sup>
  - c. making proposals regarding the remuneration of individual members of the Executive Board for ratification by the Supervisory Board, such proposals in any case including:
    - (i) the remuneration structure;
    - (ii) the amount of the fixed remuneration, the award of shares and/or options and all other variable remuneration components, pension rights, termination packages and other benefits;
    - (iii) the performance criteria and their application;
    - (iv) the scenario analyses performed;<sup>2</sup> and
    - (v) the pay structure within the Company and its related enterprise;<sup>3</sup>

---

<sup>1</sup> Best Practice 3.1.1

<sup>2</sup> Best Practice 3.2.1

<sup>3</sup> Best Practice 3.2.1

- d. preparing the remuneration report on the current remuneration policy for adoption by the Supervisory Board. The Supervisory Board remuneration report covers:<sup>4</sup>
  - (i) the manner in which the remuneration policy has been implemented in the preceding year;
  - (ii) the manner in which the implementation of the remuneration policy contributes to long-term value creation;
  - (iii) the fact that scenario analyses have been taken into consideration;
  - (iv) details of the pay structure within the Company and its related enterprise and, if applicable, any changes in the pay gaps compared with the preceding year;
  - (v) if a member of the Executive Board receives an element of variable remuneration, the way in which this remuneration contributes to the long-term value creation, the predetermined and measurable performance criteria on which the variable remuneration depends and the relationship between the level of remuneration and performance; and
  - (vi) if an existing or former member of the Executive Board receives a severance payment, the reasons for such payment.

The remuneration report is published on the Company's website.<sup>5</sup>

3.3. The Remuneration and Appointments Committee's duties regarding *selection and appointment* concern:

- a. drawing up selection criteria and appointment procedures for members of the Executive Board and the Supervisory Board;
- b. periodically evaluating the size and composition of the Supervisory Board and the Executive Board and making a proposal for a profile of the Supervisory Board;
- c. periodically evaluating the functioning of individual members of the Executive Board and the Supervisory Board and reporting accordingly to the Supervisory Board;
- d. drawing up a succession plan for members of the Executive Board and the Supervisory Board;<sup>6</sup>
- e. preparing resolutions for appointments and reappointments;

---

<sup>4</sup> Best Practice 3.4.1

<sup>5</sup> Principle 3.4

<sup>6</sup> Best Practice 2.2.5

- f. overseeing policy on selection criteria and appointment procedures for senior management.

The Remuneration and Appointments Committee produces a report minuting its deliberations and findings in each of its meetings and submits this report to the Supervisory Board.<sup>7</sup>

#### **Article 4. Composition**

- 4.1. The Remuneration and Appointments Committee is made up of at least two members of the Supervisory Board.
- 4.2. Without prejudice to Article 4.3 of the Supervisory Board Rules, a requirement to be satisfied with regard to the composition of the Remuneration and Appointments Committee is that more than half of its members are independent within the meaning of Article 4.5 of the Rules of the Supervisory Board.<sup>8</sup>

If a member of the Remuneration and Appointments Committee is or becomes aware of any circumstance which might reasonably be expected to compromise or otherwise affect his or her independence or the perception of independence, the member concerned shall notify the Remuneration and Appointments Committee of the fact forthwith. The Remuneration and Appointments Committee will consult the Supervisory Board in order to ascertain whether there is sufficient reason for the member to step down or to cease being a member of the Remuneration and Appointments Committee.

#### **Article 5. Chairman**

- 5.1. Having due regard to the provisions of Article 4 of these Rules, the Supervisory Board appoints one member of the Remuneration and Appointments Committee as its chairman. Neither the chairman of the Supervisory Board nor any former member of the Executive Board may chair the Remuneration and Appointments Committee.<sup>9</sup> The chairman is responsible for the proper functioning of the Remuneration and Appointments Committee. He or she acts as spokesman for the Remuneration and Appointments Committee and is the main point of contact for the Supervisory Board.

---

<sup>7</sup> Best Practice 2.2.5 and 2.3.5

<sup>8</sup> Best Practice 2.3.4

<sup>9</sup> Best Practice 2.3.4

**Article 6. Remuneration and Appointments Committee meetings (committee agenda and minutes)**

- 6.1. The Remuneration and Appointments Committee meets at least once a year or as often as one or more of its members deem necessary. The meetings are held as a rule at the Company's offices but may also take place elsewhere.
- 6.2. Meetings are convened by the Remuneration and Appointments Committee chairman.
- 6.3. Minutes are kept of the meetings. As a rule, the minutes are adopted within three months of a meeting. The minutes are signed as being a true record of the meeting by the Remuneration and Appointments Committee chairman and are circulated to the other members of the Remuneration and Appointments Committee as quickly as possible.
- 6.4. The Supervisory Board Secretary also acts as secretary to the Remuneration and Appointments Committee.

**Article 7. Application mutatis mutandis of the Supervisory Board Rules**

Articles 2.1, 2.2, 11.1, 11.2, 17, 18 and 19 of the Supervisory Board Rules apply mutatis mutandis to these Rules.