



Sligro Food Group N.V. remuneration policy

The Supervisory Board sets the remuneration policy for the Executive Board of Sligro Food Group. In accordance with the recommendations of the Dutch Corporate Governance Code, the remuneration policy and significant changes to it have to be adopted by the General Meeting of Shareholders of Sligro Food Group. The Supervisory Board sets the remuneration of the individual members of the Executive Board within the approved remuneration policy.

Remuneration principles

The remuneration policy makes it possible to attract qualified people with both the necessary management skills and background to the Executive Board. The policy also needs to be challenging in order to ensure and extend the focus on performance and long-term growth in the value of the company, to motivate the Executive Board and to retain its members if it performs well.

At the same time, remuneration must be in reasonable proportion to that of other managers.

The trend in results and other performance relevant to the company will be taken into account when setting the amount and structure of the remuneration.

In this endeavour, the policy focuses on positioning the remuneration package at a competitive level in the Dutch market for executive directors of large companies.

Remuneration package

The overall remuneration of the Executive Board of Sligro Food Group consists of:

- a basic annual salary;
- short-term bonus plan;
- long-term bonus plan;
- pension and other fringe benefits.

The Supervisory Board will regularly review the remuneration package to ensure that it meets the remuneration principles in both composition and amount.

Annual salary

The basic annual salary is in line with the remuneration market described above. It has been decided to follow the median within that market as a maximum. However, a competitive overall remuneration level with an entrepreneurial nature, including the variable remuneration, has to be achieved. The salary of the chairman of the Executive Board will be 10% to 15% higher than the standard level for the other members.



In the event of internal promotion, an individual member of the Executive Board's annual salary will generally be below the standard level for the position. The Supervisory Board will set the growth in salary so that, in principle, the annual salary will have reached the standard level for a member of the Executive Board about three years after appointment, provided the member of the Executive Board is performing well.

The annual appraisal and review of the annual salary will take place on 1 January each year, taking into consideration personal performance, the results for the previous year, any annual general pay rises at Sligro Food Group, social trends and growth if the standard level has not been reached.

Variable remuneration

Each member of the Executive Board is eligible for a bonus if a pre-determined joint Executive Board target is achieved.

Short-term bonus plan

Half of the variable remuneration depends on the extent to which the budgeted profit target is achieved and the other half depends on concrete current goals. If less than 90% of the target is reached, the variable salary is nil, whereas meeting the target will lead to variable remuneration of 30% of the basic remuneration. If the target is exceeded, each one percent excess leads to one percent higher remuneration.

Long-term bonus plan

The long-term bonus is equal to the short-term bonus but each member of the Executive Board has to use it (after tax) to purchase Sligro Food Group shares, which have to be held for at least four years. In this, the members of the Executive Board are eligible for a share plan open to all Sligro Food Group employees which offers a discount of 10% on the stock exchange price, based on a lock-up period of four years.

Pensions

The members of the Sligro Food Group Executive Board are covered by the same pension arrangements as the other staff. The scheme is an average pay defined benefit plan up to a salary of approximately €42,000 and a defined contribution plan above that up to a salary of approximately €102,000. Another defined contribution plan applies for salaries in excess of €102,000. This plan applies to 130% of the fixed salary (including a proportion of the bonuses). The normal retirement age is 65.



Other fringe benefits

Sligro Food Group has a package of fringe benefits for the members of the Executive Board in line with that for other staff. The fringe benefits include an expense allowance, accident insurance, occupational disability insurance scheme and directors' liability insurance. Sligro Food Group does not grant loans to members of the Executive Board.

Contract of Employment

The full employment terms and conditions are set out in a contract of employment. As noted in the corporate governance policy, appointments of members of the Executive Board are not limited in time and there are no provisions concerning severance pay.

The Supervisory Board may recover from all of the Executive Board members any variable remuneration awarded on the basis of incorrect financial or other data (claw back clause).