

2014 Report of the Remuneration Committee of the Royal Ten Cate Supervisory Board

The remuneration policy applied to the executive directors of Royal Ten Cate is set out below.

Principles of the remuneration policy

The Supervisory Board of Royal Ten Cate conducts a remuneration policy in respect of the management of the company based on the following principles:

- The remuneration of the management must enable the company to attract and retain senior managers;
- The remuneration policy must conform to the company's corporate governance policy;
- The remuneration must reflect the ability to achieve the strategic and financial objectives, with a proper balance between short- and long-term results and objectives;
- The remuneration must not include any incentives which may give rise to conduct that promotes personal interests and in conflict with those of the company;
- An annual scenario analysis/benchmark is drawn up with regard to the possible outcomes of the remuneration policy.

The Corporate Governance Code

Royal Ten Cate endorses the principles stated in the Corporate Governance Code ("the Code") with regard to the remuneration of executive directors. Royal Ten Cate also endorses the recommendations on the responsibilities of the Supervisory Board for remuneration and the role of the Remuneration Committee.

Royal Ten Cate endorses the principle of maximum remuneration equivalent to one times annual salary (the 'fixed' part of the remuneration) in the event of involuntary termination. Royal Ten Cate wishes to have the ability to depart from the Code, on reasoned grounds, should particular circumstances so require. Contracts already in existence with executive directors when the Code is applied are respected.

Remuneration policy

The policy is aimed at assessing remuneration against competitive levels in the relevant remuneration market. A periodic analysis is made of the possible outcomes of the remuneration policy and the policy may be recalibrated, with professional help from an external party if required.

In 2014 a start was made on conducting an analysis jointly with external specialists with the aim of bringing the current remuneration policy for the Executive Board into line with the remuneration market for companies of a similar type and size. In the view of the Supervisory Board this would take proper account of the quality of the performance rendered. The remuneration benchmark (the peer group) was adjusted and defined in line with that of companies having similar ratios of revenues and market value. The peer group scope extends to all relevant components of the remuneration policy: fixed income, short-term variable income, long-term variable income and total income.

It was decided to leave the Executive Board remuneration policy unchanged, pending the results of a new external evaluation, based partly on an updated peer group. The remuneration of the Executive Board will be clearly positioned as the upper end of the pay pyramid of the entire company. A further explanation will be provided if required at the General Meeting of Shareholders in April 2015.

Implementation of the 2013 remuneration policy

The posts of CEO and CFO of Royal Ten Cate were based on Hay levels in 2014.

In the case of the CEO, Hay level 30 is applied. The variable remuneration component for target-level performance is 50% of the fixed salary. This is also the maximum level.

Under the prevailing scheme Mr De Vries was granted 60,000 options with an exercise price of € 23.42. The fixed remuneration of Mr De Vries in respect of 2014 is equal to the fixed remuneration for 2013 and amounts to € 675,000. The pension scheme of Mr De Vries relates to a final salary scheme. The profit-

related remuneration of Mr De Vries is a maximum of 50% of the fixed salary. In 2014 Mr De Vries received no variable salary component in respect of 2013.

For the CFO appointed on 17 April 2014 a fixed annual salary at Hay level 26 was applied, with a variable salary component up to a maximum of 40% of the fixed salary.

The fixed remuneration of Mr Bos, in the role of CFO, in respect of 2014 is € 194,792 from 17 April through 31 December 2014 . Under the prevailing scheme Mr Bos was granted 10,000 options with an exercise price of € 23.42.

Remuneration Committee

The Remuneration Committee assesses the remuneration of the members of the Executive Board by way of preparation for the Supervisory Board. The Remuneration Committee is chaired by Mr P.F. Hartman. Mr J.C.M. Hovers is also a member of the Remuneration Committee. The Remuneration Committee met on five occasions in 2014, considering matters such as evaluation of the current remuneration policy.