

Remuneration Policy

The aim of the remuneration policy for the Board of Management is to create a total remuneration package and employment conditions linked to the strategy and which are competitive, with a strong emphasis on performance-related pay.

The total remuneration package for the Board of Management is benchmarked against companies in the Netherlands of comparable size and complexity as CSM. This benchmark is set at the median level of this group of comparable executives based on various sources of market data on the remuneration for executives of companies in the Netherlands.

Base Salary

The base salary is set at the median level of similar management positions and adjusted annually on 1 May on the basis of the consumer price index for family expenditure as published by Statistics Netherlands ("CBS"). The adjustment as at 1 May 2011 amounted to 1.2%.

Short-Term Incentive Plan (STIP)

Members of the Board of Management are entitled to a short-term "at target" incentive. The CEO is entitled to an "at target" bonus incentive of 60% of his base salary in case of realization of the short term targets. The CFO is entitled to an "at target" bonus incentive of 50% of his base salary in case of realization of the short term targets. Three financial targets, organic growth, cash flow from operating activities and EBITA, account for 75% of STIP, while 25% relates to personal targets. The extent to which these personal targets have been realized is determined by the Supervisory Board.

In case a target is exceeded members of the Board of Management are entitled to a higher STIP than the "at target" incentive for that particular target. For the CEO a maximum STIP of 90% of base salary may apply and for the CFO a maximum STIP of 75% of his base salary may apply. For both the CEO and the CFO the maximum bonus incentive can be achieved in case all targets, financial and personal, are substantially exceeded (defined as 115% or more of each target). In case a target is not realized a smaller STIP than the "at target" incentive will be paid out, with the understanding that no STIP will be awarded for substantially lower performance (defined as 85% or less of the target).

The STIP financial targets for 2011 were not met. Given the disappointing developments in 2011, the Board of Management has decided to also waive their STIP personal targets entitlements.

Long-Term Incentive Plan

The long-term incentive for the Board of Management is based on the Long-Term Incentive Plan (LTIP) linked to relative total shareholder return (TSR).

Each year members of the Board of Management are entitled to an "at target" conditional grant of CSM shares. The CEO is entitled to a conditional share grant value of 60% of his base salary. The CFO is entitled to a conditional share grant value of 50% of his base salary. The performance criterion for the LTIP is Total Shareholder Return over a three-year performance period.

CSM's TSR is compared with a peer group of ten comparable companies. Based on independent analysis the performance of CSM relative to this peer group is assessed at the end of the three-year performance period. According to the remuneration policy applicable starting 2010 target performance has been set at position 5 in the peer group based on detailed analyses. If CSM delivers an outstanding performance (first or second in the peer group) over the period 2011-2014 the LTIP will amount to 175% of the "at target" grant, if the performance is below the threshold (below position 6 in the peer group) the shares do not vest at all.

The Remuneration Committee evaluates the performance of CSM in relation to the peer group, using data supplied by a leading bank in the Netherlands.

Upon vesting the members of the Board of Management will receive a gross amount which is equal to the gross dividend which would have been paid on the shares in the period of conditional allocation.

At the time of vesting the members of the Board of Management may sell as many shares as necessary to pay the related income tax. The vested shares will be blocked for two years.

The Supervisory Board periodically determines the peer group. Due to the fact that Danisco's stock listing ended in 2011 this company has been replaced by Novozymes. The peer group is currently consisting of Novozymes (DK), General Mills (US), Aryzta

(CH), Kerry Group (IR), Grupo Bimbo (SP), Nutreco (NL), Ralcorp (US), Flower Food (US), Greencore (US) and Wessanen (NL). In case of changes to companies within the peer group for whatever reason, the Supervisory Board may decide to make one or more adjustments to the composition of the group.

The at target and maximum number of conditionally granted shares for each member of the Board of Management and the movements in the number of conditionally granted shares are specified in note 30 to the financial statements.

In 2011, the shares conditionally granted in 2008 vested per May. As CSM ranked in 6th position in the peer group, 100% (2010: 50%) of the conditionally granted shares have vested in accordance with the at that time applicable LTIP-formula.

Commitment Award

The members of the Board of Management are entitled to an annual Commitment award in the form of CSM shares with a value of 10% of their respective base salary. The shares are blocked until the end of their employment with CSM with the understanding that as many shares as necessary may be sold to pay the related income tax. In 2011, as in previous years, the Board members have not used this option.

An overview of the Commitment Award shares can be found in note 30 to the financial statements.

Pension

The pension plan for the members of the Board of Management is a defined contribution plan, the contributions being paid by CSM. The plan is within the fiscal boundaries (Table 2, Witteveen franchise) using 65 as the retirement age. The members of the Board of Management are also insured for a disability pension and death-in-service.

Other benefits and entitlements

Members of the Board of Management are provided with benefits in line with benefits applicable to other senior managers in CSM (e.g. company car, expense allowance).

CSM does not grant loans to members of the Board of Management. Hence, there are no outstanding loans.

Employment Contract

Members of the Board of Management are appointed for a period of four years and may be reappointed with the approval of the General Shareholders Meeting.

Messrs G.J. Hoetmer and N.J.M. Kramer have an employment contract for an indefinite period of time which expires at the retirement age or earlier if terminated by either party.

The notice period for all members of the Board of Management is three months. CSM, being the employer, is required to give six months' notice.

A severance pay arrangement has been agreed with the members of the Board of Management. This severance pay deviates from provision II.2.8 of the Dutch Corporate Governance Code. This deviation originates from the time of the appointment of Mr Hoetmer in 2005, enabling CSM to offer him a competitive package of employment conditions. The same severance pay arrangement was offered to the members of the Board of Management appointed shortly after Mr Hoetmer. The agreed severance pay can amount to a maximum of 1.5 times the sum of the annual base salary and the most recently determined short-term incentive. In addition, contributions to the base pension plan and the Commitment Award will be continued for a further two years.

New appointments to the Board of Management will be treated in accordance with the practice of good governance and regulations in force at the time of the appointment.

The members of the Board of Management may accept a maximum of two paid or unpaid positions on an outside supervisory board or any other such (advisory) position, provided they obtain the prior approval of the Supervisory Board.

Currently, only Mr. Hoetmer has an external unpaid appointment with the Stichting "Spieren voor Spieren" (www.spierenvoorspiere.nl), a charity organization active for the benefit of children suffering from muscular diseases.

Remuneration for the Board of Management

Total annual remuneration for the CSM Board of Management amounted to € 2.0 million in 2011 (2010: € 2.8 million). The reduction on balance is due to changes in the composition of

the Board in 2010, a higher LTIP vesting and a non-payment of STIP over 2011 (waiver Board of Management as described earlier).

Total Remuneration

thousands of euros	Fixed salary		Variable salary		Total salary	
	2011	2010	2011	2010	2011	2010
G.J. Hoetmer	600	594	351	587	951	1.181
N.J.M. Kramer	454	434	239	388	693	822
R.P. Plantenberg*		134		137		271
Total	1,054	1,162	590	1,112	1,644	2,274

thousands of euros	Pension and other provisions		Total	
	2011	2010	2011	2010
G.J. Hoetmer	223	231	1.174	1.412
N.J.M. Kramer	168	157	861	979
R.P. Plantenberg (until 1 May 2010)		88		359
Total	391	476	2,035	2,750

* Mr. Plantenberg resigned as board member as at 1 May 2010. His remuneration until the end of employment (September 2011) amounts to € 0.7 million and has been fully recorded in 2010.

Remuneration for the Supervisory Board

Total remuneration for members and former members of the Supervisory Board in 2011 amounted to € 0.3 million (2010: € 0.3 million). The table below provides details on the various committees.

	2011	2010
M.P.M. de Raad, Chairman (member Remuneration Committee / Chairman Nomination Committee)	65	58
R.H.P. Markham, Vice-Chairman (Chairman Remuneration Committee / member Nomination Committee)	51	
R. Pieterse (Chairman Audit Committee)	56	56
W. Spinner (member Audit Committee)	51	52
J.P. de Kreij (member Audit Committee)	34	
P. Bouw, resigned	23	68
L.A.A. van den Berghe, resigned		17
Total	280	251

No loans or advance payments or any guarantees to that effect have been granted to the members of the Supervisory Board.

None of the members of the Supervisory Board has shares in the company or any option rights relating thereto (as at 20 February 2012).

Diemen, the Netherlands, 20 February 2012
On behalf of the Supervisory Board

M.P.M. de Raad