

Shareholders' Questions answered by the Chairman Padraig Walshe at the AGM on 17th June 2021

Question 1

Dear Chairman, I am disappointed that you and the Board have decided not to pay a dividend for the second year. Your comments are well listed on the Report as to why it is not prudent to pay a dividend. I do not agree with some of the comments.

Can you and the Board understand and reflect 1) that Farmer Business Developments is owned by its farmer members, the shareholders that contributed the capital investment of the 50, 100, 150, 200 pounds and the guarantees that were required to get the licence to operate the Insurance Company 50 years ago? 2) Can you please at least have this recognised and give a commitment that you will review the matter of a dividend at year end as the Hotel operations in Ireland and Spain are back in business.

Answer: I will answer these two questions together. Your Board is acutely aware of the expectations of our loyal farmer shareholders in regard to dividend payments. That is why we deliberated long and hard on the question of proposing a dividend this year.

In the end, we had to accept that there were still major uncertainties concerning the outlook for Covid-19 and the potential adverse impact on our business, in particular on our hotels in Ireland and Spain, and that we had an obligation to preserve cash. You have heard the latest assessment from FBD H&R CEO David Kelly and while the Irish market outlook is positive for the second half of this year, the prospects for Spain and international travel are more challenging.

I take this opportunity to assure shareholders that your Board keeps this matter under constant review and it is our intention to return to a constructive dividend policy as soon as this is practicable.

Question 2

What interest rate is the Company paying on its loans?

Answer: The average rate of interest applicable to total loans is 3% for 2020 (2019: 3%), as reported in note 21 to the Financial Statements.

Question 3

When are we going to see any changes to the Constitution to make the shares more attractive to potential new shareholders, and to enable a bigger number of potential new investors?

Answer: Farmer Business Developments plc is a farmer-owned and -controlled company, and our shareholders take great pride in the fact that they founded the FBD group of companies including this Company and the publicly-quoted FBD Holdings plc.

Our Company welcomes new investors who qualify as new farmer shareholders in the interests of maintaining the character of the Company as a Farmers' company.

Question 4

What is the Company going to do to arrest the now 8 year-long continuous shareprice decline?

Answer: The share price is not in continuous decline. The share price history on our website shows that the shares traded as low as 80 cent per share in April 2016 and as high as 110 cent in November 2019 before slipping back to their current level of 90 cent, which may reflect the impact of Covid-19 uncertainty.

Question 5

What is the Company's role in the election of, and supervision of, FBD Trust's CEO and Committee?

Answer: This Company has no role in the election and/or supervision of the FBD Trust's CEO and Committee.

Question 6

At the date of the 2021 AGM the Board has 12 Directors, 6 of whom have 5200 or less shares. With high debt, but 2.87 million Treasury shares on hand, could the Company pay half each Director's normal €6000+ annual fee, and the Chairman's €11,000+ fee in shares to help align Director's interests to those of shareholders? (this noting that the Board appears to have taken a fee cut in 2020).

Answer: Our Directors are restricted from buying shares because they are in possession of market sensitive information. This issue would also arise in considering any share-based method of remuneration.

The Company has obtained advice from Deloitte on Directors' remuneration and has followed that advice. The Directors' fees for 2020 were €160,000 as per our annual report.

Question 7

Should the FBD Trust, as a holder of almost 7 million shares, circa 13% of the issued shares, not have an automatic right to have a Board seat, which could come from the Co-Ops 4 seat allocation? Every other Company with a shareholder holding such a high percentage gives them an automatic Board seat.

Answer: Last year, the Company completed the transition from a seventeen-member Board to a twelve-member Board, with six Directors elected by Shareholders, four Directors appointed by Co-op Shareholders and two Directors appointed by IFA. The FBD Trust Company has not sought a Board seat.

Question 8

We made a new €6 million investment this year. What Company or investment was it in?

Answer: In 2020, we made new investments in a private equity fund, Tiger Global which is focused on the global Internet, software, consumer and financial technology industries and in a software-led music licensing and rights management enterprise.

Question 9

Given that a high proportion of our assets are Spanish, what number of present Board members can speak Spanish?

Chairman: While there are no Spanish speakers on the plc Board, our FBD H&R CEO David Kelly is a Spanish speaker.

Question 10

Given that 40%+ of shareholders are women, has the Company identified any potential female Board members yet?

***Chairman:** The Company has indicated previously that it would welcome suitably qualified female Board members and will keep this matter under review.*