

The Nomination Committee of Black Earth Farming Ltd

Motivated statement regarding the proposal for election of the Board at the 2016 Annual General Meeting

Black Earth Farming Nomination Committee

In accordance with the resolution passed by the 2015 Annual General Meeting, a Nomination Committee comprising members appointed by the three largest shareholder in the Company was convened in September 2015 to prepare the proposals for the Company's 2016 Annual General Meeting. The Nomination Committee consists of Joakim Andersson appointed by Investment AB Kinnevik; Per Åhlgren appointed by GoMobile NU AB; and Ramsay Brufer appointed by Alecta. The three members of the Nomination Committee have been appointed by shareholders that jointly represent approximately 55 percent of the votes in Black Earth Farming. The members of the Nomination Committee appointed Joakim Andersson as Chairman of the Nomination Committee at their first meeting.

The Nomination Committee's proposal for election of the Board

The Nomination Committee proposes:

- That the Board shall consist of five members.
- The re-election of all current Board members; Franco Danesi, Poul Schroeder, Dmitry Zavgorodniy, Per Åhlgren and Camilla Öberg.
- The re-election of Per Åhlgren as Chairman of the Board.

The Nomination Committee's proposal is thus that the following persons are elected to the Board of Black Earth Farming for a term of office up until the end of the next Annual General Meeting:

- Per Åhlgren, Chairman of the Board
- Franco Danesi
- Poul Schroeder
- Dmitry Zavgorodniy
- Camilla Öberg

The Nomination Committee's work

The Nomination Committee has held two meetings, with additional candidate interviews and Committee discussions between meetings. The Nomination Committee's discussions have primarily focused on the Board's overall composition with respect to specific sector and geographical expertise. In its assessment of the degree to which the current Board fulfills the requirements placed on it the Nomination Committee has, on the basis of *inter alia* the formal evaluation of the Board, its individual Directors, and its Chairman, reviewed the current Board members' experience and expertise as well as the balance of contributions of experiences from different business sectors and geographic regions.

The Nomination Committee's work motivated statement regarding its proposal

In its work, the Nomination Committee concluded to propose the re-election of all current Board members. The Nomination Committee is of the opinion that the existing Board exhibits a favorable balance of relevant backgrounds and experiences, and possesses important operating and financial experience from the agricultural and retail sectors across Europe and the Russian region. The proposed Board also has a collective skill-set in a number of disciplines such as financial control, capital allocation and operational efficiency measures. The Nomination Committee believes that a renewed mandate for the existing Board will provide Black Earth Farming valuable continuity and support in positioning Black Earth Farming for its future strategic priorities, such as the continuous optimization of the Company's land bank, and the preparation of future expansion through strategic investments in projects such as Black Earth Farming ongoing vegetable enterprise.

In light of the Nomination Committee's desire to maintain the Board's size, the Nomination Committee will continue its efforts to both find the most competent Board members and to give particular consideration to promote greater diversity among the Board members in the future.

Finally, it is noted that the Nomination Committee has evaluated each Board member's independence in the work of preparing its proposals for the 2016 Annual General Meeting, and has found that the proposed Board is compliant with the relevant requirements for independence.

April 2016

THE NOMINATION COMMITTEE
BLACK EARTH FARMING LTD

The Nomination Committee's proposed Board of Directors

Per Åhlgren, *Chairman of the Board since 2015*

Swedish citizen, born in 1960

Per Åhlgren is the co-founder and Chairman of Mangold Fondkommission, an independent broker specialized in small and medium-sized listed companies that provides services within corporate finance, equities, market making, securities issuance and asset management. Per's previous experience includes, among others, ten years in London working for Salomon Brothers, Bear Stearns and Deutsche Morgan Grenfell. Furthermore, he is currently CEO and member of the Board of Runaware Holding AB. Per holds a M.Sc. in Business and Economics from Stockholm School of Economics.

Shareholdings: 25,532,924 SDRs

Independence: Independent in relation to the Company and its management, not independent in relation to major shareholders.

Franco Danesi, *Non-executive Director since 2015*

Italian citizen, born in 1972

Franco Danesi is Investment Director at Investment AB Kinnevik since January 2014, and a member of the Boards of Metro International and G3 Good Governance Group. Prior to joining Kinnevik, Franco spent over five years at QInvest as Director of Private Equity and later Head of Investment Management. Between 2005 and 2008, Franco was Executive Director in the Consumer and Retail Group at the Investment Banking Division of Goldman Sachs in London. Before joining Goldman Sachs, Franco spent three years as Senior Associate in the Consumer and Retail Group at the Investment Banking Division of Morgan Stanley in London, and three years as Management Consultant at Ernst & Young in London. Franco holds a masters degree in Engineering from Politecnico di Milano and an MBA with distinction from London Business School.

Shareholdings: -

Independence: Independent in relation to the Company and its management, not independent in relation to major shareholders.

Poul Schroeder, *Non-executive Director since 2010*

Danish citizen, born in 1944

Poul Schroeder is an independent consultant and has been active in the international agricultural industry since 1966, among others, within the Continental Grain Company and Bunge. Poul is Chairman of the Board of Dan Store. Poul is a graduate in economics from the Aarhus Business School and has completed the International Senior Management Program at Columbia University.

Shareholdings: 350,000 SDRs

Independence: Not independent in relation to the Company and its management, independent in relation to major shareholders.

Dmitry Zavgorodniy, *Non-executive Director since 2014*

Russian citizen, born in 1970

Dmitry Zavgorodniy has been General Manager for the food companies McCain LLC and EcoFrie LLC, and CEO of United Meat Group LLC. Dmitry is Managing Director of Tata Global Beverages Eastern Europe. Dmitry is a graduate from the Pedagogical University, Omsk, and holds master degrees from Sorbonne and University of Oriental Studies, Paris.

Shareholdings: -

Independence: Independent in relation to the Company and its management, independent in relation to major shareholders.

Camilla Öberg, *Non-executive Director since 2013*

Swedish citizen, born in 1964

Camilla Öberg is currently CFO for Cybercom Group AB as well as Board member of several subsidiaries of Cybercom Group AB. She is also a Board member of RusForest AB. Camilla has previously served as CFO of the IT-company Logica Sweden AB. Between 1998 and 2006, Camilla was employed at WM-data, where she worked as head of IR and Group Treasury. Before her time at WM-data, she worked as CFO of Integro AB, as CFO of Lexicon and in accounting and external reporting at SEB. Camilla holds a degree in Economics and Business Administration from the Stockholm School of Economics.

Shareholdings: 1,500 SDRs

Independence: Independent in relation to the Company and its management, independent in relation to major shareholders.