



MINUTES OF THE (HYBRID) GENERAL MEETING OF BETER BED HOLDING N.V.

Held on Wednesday, 13 May 2020 at 14:00 hours at Banning Advocaten, Spinhuiswal 2 in 's-Hertogenbosch (The Netherlands).

Present on behalf of Beter Bed Holding N.V.

Supervisory Board:

Mr B.E. Karis (Chair)
Mr P.C. Boone
Mr H.C.M. Vermeulen (virtually)
Mr A. Beyens (virtually)

Management Board:

Mr A.J.G.P.M. Kruijssen (CEO)
Mrs G.E.A. Reijnen (CFO)

1. Opening

The Chair opened the meeting. Owing to the COVID-19 outbreak, Beter Bed Holding, like other companies, has had to put certain measures in place. In order to minimise the health risks for all people who were involved in the meeting, it had been decided, due to these exceptional circumstances, to hold this year's General Meeting via a live webcast and therefore all shareholders had been requested to give a proxy with a voting instruction in advance of the meeting. The physical presence of the members of the Management Board and the Supervisory Board had also been restricted to a minimum. The following were physically present, besides the Chair: John Kruijssen and Gabrielle Reijnen on behalf of the Management Board of Beter Bed Holding N.V., Pieter Boone, Vice-Chair of the Supervisory Board, Erik Weerts, Finance Director of Beter Bed B.V., Wim van Rooij, auditor at PwC, Ruud van Bork, civil-law notary at Loyens & Loeff, who would cast the proxy votes, and Gusta de Jong, acting as secretary of the meeting and recording the minutes. The Supervisory Board members, Huub Vermeulen and Alain Beyens, and the representatives of the Executive Committee of the Works Council of Beter Bed B.V., Gemma Melsen, Arie van Oord and Erik Noordhoek, participated virtually in the meeting, as did all shareholders who had registered. The Chair welcomed all attendees, both physical and virtual.

Out of the total of 24,105,562 shares outstanding, 7,763,572 shares with voting rights (32.21%) were represented at this meeting.

The Chair expressed his appreciation for all staff, who was working hard each and every day in the stores, online and in the distribution centers to do everything possible in this challenging period to meet customers' requirements as effectively as possible.

Ahead of the meeting, the shareholders had been given an opportunity to submit questions that would be answered during the meeting. Various questions had been submitted to us by Mr Van Overbeeke, Mr Rienks, Teslin Capital Management B.V. and the Dutch Investors' Association (Vereniging van Effectenbezitters, VEB).

The Chair established that the agenda including the notes, the management report, the financial statements and the other relevant documents were available on the company's website. All relevant requirements had thereby been met, meaning that the General Meeting could adopt legally valid resolutions, while complying with the COVID-19 Justice and Security (Interim Measures) Act (Tijdelijke wet COVID-19 Justitie en Veiligheid). After the close of the meeting, the shareholders would receive confirmation that their votes had been cast in accordance with the voting instruction.

In accordance with Article IV.3.10 of the Corporate Governance Code, the minutes of the General Meeting of 25 April 2019 and those of the Extraordinary Meeting of 26 November 2019 had been posted on the company's corporate website within three months after the meeting concerned. No comments had been received during the ensuing three months, after which the minutes had been adopted and signed by the Chair and the secretary.

All relevant information for shareholders had been published on the corporate website, www.beterbedholding.com and on the annual report website www.annualreportbeterbedholding.com.

An audio recording had been made of the meeting.

2. Report of the Management Board for the 2019 financial year

Reference was made to the eco-version of the 2019 annual report.

On the basis of a presentation, John Kruijssen, CEO of Beter Bed Holding N.V., and Gabrielle Reijnen, CFO of Beter Bed Holding N.V., by turns discussed the key developments of the 2019 financial year. The management report was discussed in the presentation and information was provided on the financial results. The presentation is available on the corporate website, www.beterbedholding.com.

John Kruijssen thanked the shareholders for participating in this virtual shareholders meeting. He stated that he hoped to be able to meet the shareholders in person again, and in good health, next year.

He commenced the presentation with the main developments of 2019, starting with the statement that Beter Bed Holding, excluding Matratzen Concord, had grown in the past year, despite the substantial challenges with which the Group had been faced, which had also impacted Beter Bed Benelux, Sweden and DBC. At the previous General Meeting, it had been announced that incipient improvements had been manifest at Matratzen Concord. These had however proved to be insufficiently material and the speed with which the improvements materialised had been too slow to stem the losses, resulting in notable liquidity stress. As a result, the Group's liquidity position had been increasingly called upon, which would adversely impact the progress of the healthy part of the business and, ultimately, the continued existence of the Group. To restore the Group's health, a number of corporate actions had been undertaken, i.e. (i) the divestment of Matratzen Concord in Germany, Switzerland and Austria, (ii) the sale and leaseback of the three distribution centers in the Netherlands and (iii) the conclusion of an additional loan, which had been provided by three shareholders, to have sufficient time to carry out these actions. In addition, in combination with the sale of Matratzen Concord, 2,150,000 new shares worth € 5 million had also been issued. The proceeds from the sale of real estate had been used for debt repayments to the banks.

The focus since the start of 2020 had been mainly on further improving the quality of the Group and accelerating the rate of growth of the various operations. As stated in the press release issued on 17 April of this year, the company successfully executed this in the first quarter of 2020. Meanwhile, society has been confronted with COVID-19. This pandemic had presented the Group with new challenges as well as new opportunities **(see slide 6)**.

The outbreak of COVID-19 had presented Beter Bed Holding with a number of challenges. From the start, the organisation had been actively engaged in making all operations within the company - except in Belgium, where the government had decided that physical stores were required to close from 17 March - corona-proof in accordance with laws and regulations. All preventive and other measures had been put in place, such as disinfection, protective equipment, washable sleeves for pillows to enable customers to test beds safely, telephoning customers before delivery, supervising staff, modified deployment of staff belonging to at-risk groups, and ensuring clear communication with employees, on the websites and the store windows and in the stores, and also in relation to the customers. The scripts that had been prepared for the corona crisis worked very well. No incidents had been registered to date. So far, no staff had been reported as having been infected with corona and the figures for absenteeism due to illness had not diverged from the normal pattern, except for the two weeks in March.

From January, when the outbreak in China was announced worldwide, the company immediately commenced mapping products, suppliers and the supply chain, designating alternative products and suppliers, building inventories of critical products and providing daily updates to the organisation, enabling timely anticipation of any calamities. As result, there were no notable problems in the supply chain during the entire period. Given that the company was able to continue ordering constantly from the suppliers, due to continually excellent order intakes, lead times were in some instances even shortened (**see slide 7**).

The following questions had been received on this topic; these were answered by John Kruijssen:

- *Had it now become clear whether Beter Bed was eligible for support facilities created by national governments? If so, what form would that take, to what conditions was this subject and what was the amount of support to date that had been committed and/or paid out?*

For the Netherlands, the NOW scheme (Temporary Emergency Bridging Measure for Sustained Employment (Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud NOW)) had not been used nor was it expected to be used in the future. The compulsory closure of the stores in Belgium had given rise to an automatic right to compensation for part of the wage costs up to 70%, which had been supplemented to 90% by the company. The stores in Belgium had reopened this week.

- *According to the quarterly update of 17 April 2020, Beter Bed had managed to negotiate rent reductions or deferrals with lessors. Could Beter Bed provide more information on these agreements and on the amount of savings on rental costs in the month of April, for instance?*

Beter Bed Holding had entered into talks with lessors on an individual basis. No incidents had occurred in that context. The company had reached agreements with a large number of lessors that did not necessarily entail a rent reduction.

The divestment of Matratzen Concord had been one of the most significant corporate actions in 2019. In June 2019, it had been announced in a press release that Beter Bed Holding had decided to divest Matratzen Concord in order to safeguard the continuity of the Group as a going concern. More than 20 potential buyers had presented themselves, including Healthcare Co. Ltd. from China, which had made the most satisfactory offer for Beter Bed Holding, but had also had the most to offer Matratzen Concord in qualitative terms. For reasons of its own, Healthcare concluded the deal via the vehicle Magical Honour Limited that it had incorporated. A handshake deal was reached in September, which was formalised on October 2020 via a Sales Purchase and Investment Agreement and announced in the market. The transaction was executed on 2 December 2020 and Magical Honour Limited took over the operation. The deal comprised the following components: (i) the purchase price of € 5 million that ultimately became € 7.9 million in the final transfer, (ii) an earnout that may lead to a maximum supplementary payment of € 7.5 million in the first 12 months of ownership, and (iii) the equity issue of 2,150,000 shares at € 2.32, i.e. a premium of 36% versus the current price at the time of the deal, giving Healthcare a position of 8.9% in Beter Bed Holding (**see slide 8**).

Healthcare Co. Ltd. is a Chinese, listed company with a sole majority shareholder, being its founder, owner and CEO James Ni. This company manufactures memory foam mattresses and pillows in factories in China, the USA, Thailand and Serbia. Healthcare owns some 250 stores in China and supplies around 1,250 franchise stores in China. The company is also active as retailer/manufacturer in Spain through Maxcolchón. Healthcare's global retail brand is Mlily. Mlily is the bedroom furnishing partner for Manchester United worldwide (**see slide 9**).

The following question had been received:

- *Had any additional agreements been made with MHL/Healthcare?*

No further agreements had been made in relation to this deal, nor had any commitments been undertaken for, for example, a seat on the Supervisory Board or any other governance position within the organisation. Ways in which the companies could strengthen each other were being considered, on a voluntary basis.

Despite the fact that Beter Bed Holding had been approximately halved by the restructuring, the remaining organisation had become healthier and was growing in all components in all countries in which the Group was active. At present, the remaining portfolio comprises some 161 stores and a wholesaler. It employs a total of around 910 persons. In parallel with the restructuring, the businesses Beter Bed Benelux, Sängjätten and DBC had demonstrated their robustness by achieving growth, executing a transformation and formulating sound plans for the future, despite the substantial volatility. The growth rates, including and excluding Matratzen Concord, had demonstrated that it had been a good decision to refocus and opt for smaller but more profitable (**see slide 10**).

At **Beter Bed Benelux**, the largest company within the Group, work was continually underway to improve revenue and margins, while simultaneously raising quality and reducing costs. The improvements in the marketing strategy and interactions with customers had created a positive trend in all core retail metrics, such as a reduction of returns by more than 8%. The product ranges were more logically structured and had been further expanded in terms of quality, by the addition of Tempur, for example. In combination with improved sales advice both online and offline, this had led to an increase of around 4% in the average order value. After having been snowed under last year owing to the volatility in the Group, the cost reduction programs, which had been initiated from the end of 2018, were set to have a significant effect in 2020. The following cost reduction programs had been introduced: (i) should costing, which provided improved insight into what the cost price of a product should be, (ii) implementation of tablets for drivers to optimise routes and reduce administration, (iii) smarter logistic planning to increase loads on trucks and deploy them more efficiently and (iv) modified remuneration for transport staff & warehouse staff, resulting in fewer changes and reduced absenteeism due to illness **(see slide 11)**.

The following questions had been received:

- *Due to the sale of the German operations, Beter Bed Holding's revenue had fallen from almost € 400 million in 2018 to € 185.8 million last year. In previous strategy updates, scale utilisation, for instance by conducting tougher negotiations with suppliers, had been a spearhead. Did the current operations of Beter Bed Holding still retain sufficient critical mass to be able to create economic value over time?*

The initiatives launched in Q4 2019 and Q1 2020 had demonstrated that margins could be increased and targeted levels could be achieved, despite the loss of the Matratzen Concord volume. It continues to be feasible, within the current company, to develop lower cost levels as well as efficiency through process improvements, automation of various activities and improving the quality of staffing. There is no reason to assume that the sale of Matratzen Concord meant having to adjust those targets.

- *There are 115 stores in the Netherlands at present. That appears to be enough. Do you nonetheless see scope for increasing that number or is a contraction more likely? Are the growing internet sales occurring at the expense of the stores and will this then lead to store closures?*

The Management Board sees little or no scope for any increase in the number of current types of stores. There are however possibilities for other types of stores at other locations in the future. Internet is growing strongly at Beter Bed Holding and will continue to grow in the years ahead. Not least because of the rapid growth as a consequence of the coronavirus, the Management Board expects a reduction of stores in the present formats so as to make way for internet sales, or a new type of store that fulfils a different role.

- *There are currently 17 stores in Belgium. The size of that country is around 2/3 that of the Netherlands. Therefore there should be room for around (2/3 of 115) 75 stores. Is this line of reasoning correct? And if not, why not? What is the targeted number of stores in Belgium at present?*

More stores are certainly possible in Belgium, but the company is being cautious and wants to carry out a controlled roll-out, subject to the condition that financial performance is good, the location offers possibilities and flexible agreements can be made. There is no specific target for opening particular numbers of stores.

The company continues to invest in online and omni-channel. The company is using a data-driven approach to accelerate online growth to steer consumers towards the company's websites, improve the performance of the platforms and facilitate use of the online proposition so as to increase conversion. The company realises that consumers are increasingly using a combination of channels to buy their beds or mattresses. Therefore, improvements had been made in the field of omni-channel using such tools as a configurator, improved store navigators and new online delivery portals in which customers themselves could make changes, meaning contact with the customer experience centre became less necessary.

Due to COVID-19, changes were being implemented more rapidly and extra focus and manpower were being applied to achieve further acceleration of online growth by using more media, providing additional advice and offering specific products for the external platforms (such as Bol.com, Wehkamp etc.). In 2019, this approach resulted in a 23.3% increase in the number of visitors compared with 2018, a 2.3% increase in conversion and a 30-40% reduction in the number of telephone calls to the customer experience center.

The following question had been received in connection with this:

- *Seeing and physically testing beds has always been important for the customer. Many purchases are now made online, including purchases of beds. Has this had a negative impact on returns? How many beds are returned and what is being done to prevent this?*

There were fewer returns and in general, the percentage of returns of the revenue for goods purchased online was 0.3% below that for goods purchased in the stores. However, online purchases often relate to different products with, on average, lower prices than purchases in stores (**see slide 12**).

The Management Board is not yet satisfied with the performance of the business in Sweden. Owing to the numerous corporate actions in the rest of the Group in 2019 and the importance of resolving the situation concerning Matratzen Concord, less than full attention had been devoted to **Sängjätten**. Sales had nonetheless increased and a thorough analysis of the follow-up steps necessary to create good performance by Sängjätten had been carried out. In the past period, a number of stores had been closed, a number of roles at the head office had been reduced and the supply chain organisation had been converted into a HUB situation. Also, the product range was being changed to a Nordic product range. In addition, new marketing campaigns had been developed and launched (**see slide 13**).

The following questions had been received about the business in Sweden:

- *Six loss-generating stores without a future have been closed. This has left a total of 21 stores. Is that enough for the entire country? How will growth be achieved in Sweden? What was the targeted number of stores? What was the ideal scale for Sängjätten? What was expected of the major advertising campaign that had been postponed due to the virus?*

The company aims to be located mainly in the major cities such as Malmö, Stockholm and Gothenburg and only in the areas between them if there is sufficient potential. Investment in the internet proposition and the associated logistics, which ensures that the other parts of the country can be served, is continuing. In general, campaigns in Sweden have been successful and profitable. That is also the expectation for the new campaign.

- *Now that the Matratzen Concord issue had been settled, Beter Bed Holding's size had been halved. The company was now only active in the Benelux and Sweden. Development of the last-mentioned subsidiary was still in progress and it was not yet contributing to results and probably required liquidity from Beter Bed Holding. Was that assumption correct?*

It is true that Sweden is in the course of development. However, with the implementation of all adjustments on the basis of the plan that had been developed last year, it is expected that the support required from the Group will be limited.

In 2019, **DBC** was further expanded by deploying more channels with more products. Also, more brands such as M line would be added in the coming years. An example was the Iconic range, which had been launched at the IMM in Cologne at the start of this year. The B2B2C network had been expanded in 2019 in the Netherlands and internationally. In the Netherlands, around 16 dealers had been added and more than 40 had been added outside the Netherlands, including three large E-tailers in Europe. The B2B channel, which harboured huge potential, was delivering the first clear successes. For instance, a tender had recently been won to supply the hotels of TUI and associated partners with DBC products. In that context, DBC had been designated as preferred supplier for the hotels affiliated with TUI. These sales mainly comprised the Beter Bed Select product line and M line. The online webshops for M line and Wave had gone live in order to activate the B2C channel. These would be rolled out internationally. These webshops were primarily aimed at direct sales to consumers, but increasingly also served as a brand and product positioning vehicle. These websites were also used to collect consumer data used for marketing purposes (**see slide 14**).

The following question had been received in that connection:

- *It had been announced at last year's General Meeting that an alliance with DeRucci, a Chinese retail organisation, was likely. Could a status update be provided on this and could more information be given on the potential of this deal?*

Both parties intended this agreement to be concluded for a longer term. Much time had been spent by the parties on getting to know each other and reaching agreement on the many details of this agreement. At present, the company is in the final stage of contractual definition. Unfortunately, no financial forecasts of the potential volume could be given.

Slide 15 summarises the developments with regard to the CSR goals. Although 2019 had not been a year in which CSR had offered much in terms of investment, the Group had made progress. Progress had been achieved on most elements relating to the circular economy. Advancing the development of products to make them modular would be a particular focus area in the coming years. A first step had been taken with the development of a measurement method in conjunction with the Netherlands Organization for Applied Scientific Research TNO and the launch of the first circular box spring bed 'Element'. With regard to sustainability, the principal elements had been included as from this year, within the supply chain/purchasing agreements concluded by the company, for a structured approach vis-à-vis the suppliers. CO₂ emissions had fallen sharply as a result of the sale of Matratzen Concord. Renewable energy has also received full attention. The cost-benefit ratio must be considered in this context, however.

Lastly, John Kruijssen reiterated the company's mission: 'we believe that everyone can sleep better than one does today'. It has been scientifically proven that better sleep makes us healthier, happier and perform better. As market leader, Beter Bed Holding aims to demonstrate ownership to facilitate better sleep for everyone. The importance of that mission has been additionally underlined by the current corona crisis (**see slide 16**).

The presentation was continued by Gabrielle Reijnen who discussed the company's financial results for the 2019 financial year.

Following the divestment of Matratzen Concord in Germany, Austria and Switzerland, the continuing operations comprise the Benelux (Beter Bed in the Netherlands and Belgium and Beddenreus in the Netherlands) and New Business (DBC and Sängjätten in Sweden). In 2019, revenue from continuing operations rose by 7.5% to € 185.8 million compared with € 172.8 million in 2018, with like-for-like growth of 4.7%. Order intake on a like-for-like basis has grown by 3.3%. Both the Benelux and New Business contributed to this revenue growth with strong commercial activities and various new innovations (**see slide 18**).

2019 was characterised by the many corporate actions that were reflected in the financial statements 2019. These included the sale of Matratzen Concord in Germany, Austria and Switzerland, presented under discontinued operations in the financial statements, the sale & leaseback of the distribution centers in Uden, Nieuw-Vennep and Hoogeveen, a change of accounting policy due to the implementation of IFRS 16 and one-offs, such as the share issue to Magical Honour Limited referred to earlier, the shareholders' loan and the partial conversion into a perpetual loan and the additional costs the company had had to incur for the corporate actions that took place in 2019. The principal effects of the above were reflected in the financial results. Gross profit increased in 2019 to € 98.5 million compared with € 94.1 million in 2018. This increase was the result of higher revenue and a lower gross margin. In addition, operating expenses increased on a like-for-like basis as a consequence of an increase in logistics expenses due to supply chain inefficiencies in the first half of 2019. Those problems were resolved in the second half of 2019, resulting in additional costs. In addition, advertising costs increased due to the 'always on' marketing campaigns aimed at revenue growth. Lastly, investments in stores, the online channel, the holding company costs, the investments in DBC and the central costs of the Benelux contributed to the increase in operating expenses (**see slide 19**).

The above led to an EBITDA of € 21.2 million, compared with € 11.8 million in 2018. This increase reflected the gain of € 9.6 million on the sale of the distribution centers and the impact of IFRS 16 due to the decrease in rental and lease expenses and the right-of-use assets.

The implementation of IFRS 16 had the following two effects. The gain of € 9.6 million on the sale of the distribution centers was not permitted to be recognised in full in 2019, with € 3.1 million required to be capitalised and released in the course of the lease terms. In addition, rental and lease costs are no longer recorded under operational expenses; instead, the leased assets are capitalised in the balance sheet under right-of-use assets and depreciated during the course of the lease terms, producing a shift from operating expenses to depreciation (**see slide 20**).

Owing to the sale of Matratzen Concord, the balance sheet decreased by more than half. In addition, there was also a significant decrease in inventories. Under IFRS 16, the distribution centers, trucks and lease cars are capitalised under right-of-use assets. Here, short and long-term lease liabilities are set off against those classified under current and non-current liabilities. Equity at year-end 2019 amounted to € 3.0 million (**see slide 21**).

The following question concerning equity had been received:

- *What measures have been taken to strengthen equity?*

The company is doing its utmost to increase equity rapidly by means of profitability. In view of the economic uncertainties of the present time, the company does not want to rush into other measures that could accelerate this.

In 2019, Beter Bed Holding achieved positive operational cash flow for the continuing operations. In addition, working capital had improved. The positive investment cash flow was the result of strict capex management and the sale of the three distribution centers for € 19.1 million. The cash flow from financing activities was characterised in 2019 by the € 5 million share issue, the € 7 million shareholders loan, half of which had been converted into a perpetual loan in December, and the repayment of the loans to the banks (see slides 22 + 23).

In the summer of 2019, Beter Bed Holding drew debt of € 40 million from the banks and bridging financing of € 7 million from the shareholders to give itself time to complete the divestment of Matratzen Concord and the distribution centers. In December 2019, a large portion of the bank debt was repaid and new bank covenants were agreed with the banks. At present the company has bank facilities of € 22.3 million and a shareholders loan of € 7 million, a small portion of which had been drawn at the end of 2019, resulting in net debt of € 7.9 million. Due to the corporate actions of the past year, the company started the year 2020 in a stable financial situation. That situation aided the company in facing the social and economic circumstances arising from the global outbreak of COVID-19 and the volatility of the markets (see slide 24).

A number of questions on liquidity and scenarios had been received in connection with the above.

- *How did the management assess its liquidity position at present? Could Beter Bed provide an indication of its monthly cash burn and an estimate of the period during which the company could continue as a going concern without additional liquidity?*

The liquidity position is managed systematically and conscientiously on a weekly basis, based on the experiences in 2019, using a 13-week cash flow model. COVID-19 and the corresponding uncertainties have led to the expansion of the liquidity model to 26 weeks. Beter Bed Holding started 2020 with a low net debt position and a positive cash position. Predominantly remaining in business has significantly benefited the company so far. There is no cash burn to date. Therefore the cash position has developed positively.

- *In July 2019, Beter Bed agreed with its banks that they would work with modified bank covenants for a period of one year. How certain was Beter Bed that it would not exceed the modified covenants?*

The bank covenants were modified in December 2019 as a consequence of the divestment of Matratzen Concord, the sale of the distribution centers and the deleveraging of the company. Based on its current understanding, the company would remain within the bank covenants. At present, the Management Board is in talks with the present banks on continuing the financing facilities with the possibility of increasing them by GO-C financing. In that context, stress tests have been performed in consultation with the banks, with and without lockdown and with a longer and shorter economic recession as a consequence. The impact of COVID-19 depends on which scenario unfolds. The CFO did not believe it was possible to make any statements on the outcomes of the above. The scenarios had been discussed with the banks and the bank covenant will be based on this.

The following questions had been received in connection with the financial figures:

- *Did Beter Bed see sufficient scope for repaying the loan from shareholders of € 3.5 million, which was set to mature soon, as well as the perpetual loan of € 3.5 million that was still outstanding? What are the implications if Beter Bed does not manage to do so?*

As a result of the current circumstances, the Management Board did not believe it would be able to pay off these loans in July. Once the agreements with the banks had been finalised, the Management Board would engage in talks on this with the shareholders.

- *It had been stated in the annual report that Beter Bed was assuming a positive free cash flow in 2020. Did the company still consider this to be realistic?*

As a result of the current circumstances, it would be imprudent to make any predictions on this at the present time. That was also the reason why the various stress tests had been carried out in consultation with the banks.

- *How much financial room was there within the present financing lines for Sweden to contribute operationally to Beter Bed Holding in the future?*

The financial room required for commercial operations in Sweden had been incorporated in the present and future financing arrangements.

- *Last year, new targets had been announced, including an EBITDA margin of 7-9% in the longer term. Owing to the corona pandemic, there had been a discernible shift towards the online channel in which – prior to the corona pandemic – lower gross margins were realised. What would the consequences of this potential structural change in consumer behaviour be for the margin profile target?*

The target of achieving an EBITDA margin of between 7% and 9% by 2022 was unchanged. It was not affected by the development of online, as the gross margin profiles were gradually improving and costs were gradually being reduced.

Gabrielle Reijnen gave the floor back to John Kruijssen who answered the questions that specifically related to the divestment of Matratzen Concord.

- *What were the reasons for the significant deterioration of the liquidity position last year?*

As explained earlier, the incipient recovery in Matratzen Concord had been neither sufficiently material nor sufficiently rapid, as a result of which it had continued to generate losses. In combination with the completion of the restructuring of Matratzen Concord at the end of 2018, the settlement of a tax claim in Germany and movements towards withdrawal of the credit insurers, the liquidity position had come under pressure. After mapping various scenarios, it had been decided in consultation with the Supervisory Board to take vigorous action to safeguard the continuity as a going concern of the company as a whole. The Management Board had entered into talks with the banks and the shareholders to obtain increased liquidity in order to divest Matratzen Concord.

- *The abrupt deterioration and the significant losses led to a loss of shareholder value. This had impacted shareholders' confidence in Beter Bed. What guarantees is Beter Bed able to provide that the remaining operations are less vulnerable?*

The Management Board is unable to give any guarantees, because external factors, such as COVID-19 in particular, could have a significant effect on operations. John Kruijssen assumes that the explanations provided today and the results of the first quarter, which demonstrated the development of the business, inspires confidence.

- *When had the holding company issued a "Verlustübernahmeerklärung" with regard to the German activities? Why had this not been disclosed in the 2018 annual report?*

A profit and loss agreement between Matratzen Concord GmbH and BBH Services GmbH & Ko KG had been in place since 2000. Since the 2017 financial year, a "Verlustübernahmeerklärung" between Beter Bed Holding N.V. and Matratzen Concord GmbH had been issued. Issuing this statement was a condition for invoking an exemption from the requirement to publish separate financial statements, in a manner similar to that which was possible in the Netherlands by means of a 403 undertaking. A significant difference compared with the 403 undertaking, however, was that on the basis of the profit and loss agreement an obligation to make an additional payment arose at the end of each financial year if a loss had been incurred in that financial year. Annual compensation of any loss was required. Owing to the compensation of the losses in 2018 and 2019, Beter Bed Holding no longer had any obligation in respect of Matratzen Concord GmbH under the profit and loss agreement for the financial years 2018 and 2019 at the time when the consolidated financial statements had been prepared and therefore – unlike in the case of a 403 undertaking – nothing on this had been included – nor had anything needed to be included – in the annual reports.

- *Why had a press release been issued on 25 June, while consultations were under way with the banks to seek constructive solutions for the imminent liquidity shortage?*

A press release concerning liquidity had been issued because that kind of information was required to be announced to all stakeholders without delay.

The Chair thanked John Kruijssen and Gabrielle Reijnen for the explanatory information they had given.

3. Report of the Supervisory Board for the 2019 financial year

The Chair referred to the relevant section on the annual report website or pages 42 to 48 of the annual report.

On behalf of and for the benefit of the stakeholders, the Supervisory Board supervises and supports the Management Board. The Board ensures the continuity of the Management Board and the organisation.

In the past year, the Supervisory Board consisted of Bart Karis, Pieter Boone, Alain Beyens, Huub Vermeulen and Gabrielle Reijnen. With effect from 12 December 2019, Gabrielle stepped down as a member of the Supervisory Board in order to accept the role of CFO at Beter Bed Holding N.V.

In 2019, the Supervisory Board had been closely involved in the developments at Beter Bed Holding and its subsidiaries. During the year under review, the Chair had had frequent contact with the Management Board. The Supervisory Board met physically with the Management Board on eight occasions in 2019 and had held 17 meetings with the Management Board via conference calls.

The Supervisory Board had been kept informed by the Management Board, both orally and in writing, frequently, in a timely manner and effectively. Extensive attention had been devoted to the operational results of the various business units - particularly Matratzen Concord - and the Group, the liquidity challenges this entailed, the finances of the company, the decision-making concerning the divestment of Matratzen Concord as well as its consequences for the Group, the real estate transactions and, as a consequence of these corporate initiatives, the design of the strategy and capitalisation of the company, which would continue into the future.

The Supervisory Board had held meetings with the external auditor on the results for 2018, the audit findings and the 2019 interim results, as well as the effects of the potential sale of Matratzen Concord. In addition, the results and the findings regarding the administrative organisation and internal control had been discussed and various meetings on the implementation of IFRS 16 had taken place.

The budget for 2020 was discussed in the meeting of 19 December 2019. This included the company's operational and financial objectives, as well as the policy designed to help achieve them.

Topics including the performance of the Management Board and the implementation of the remuneration policy for the Management Board had been discussed in closed meetings. Consultation on the performance of the individual members of the Management Board had also taken place in individual interviews.

During the financial year 2019, the Audit Committee consisted of Pieter Boone (Chair), Dirk Goeminne, Alain Beyens and Bart Karis. After the General Meeting of 25 April 2019, Dirk Goeminne stepped down and Gabrielle Reijnen had become a member of the Supervisory Board and succeeded Pieter Boone in the role of Chair of the Audit Committee until 12 December 2019. During the period when Gabrielle Reijnen had been a member of the Audit Committee, its composition had been in line with the provisions of the Corporate Governance Code, with Gabrielle Reijnen serving as financial expert. From that date, Pieter Boone had temporarily, until the appointment of the new financial expert, acted in the role of Chair. Following her appointment as a member of the Supervisory Board (see agenda item 14), Maaïke Schipperheijn had been appointed as Chair of the Audit Committee.

The Audit Committee met four times in the past financial year and held two meetings with the external auditor without the Management Board being present. The Audit Committee extensively discussed the financial statements, the report of the Management Board, the interim results and the management letter with the Management Board and the external auditor. In addition, attention had been devoted to the 2019 audit plan, the follow-up of previous recommendations, tax matters, liquidity, financing and the risk management and control system. Special attention had been devoted in 2019 to the implementation of IFRS 16. Discussions had taken place regularly between the Internal Auditor and the Chair of the Audit Committee, both with and without officers of the Group being present. The Audit Committee had discussed the findings of the Internal Audit Function.

In 2019, the Remuneration Committee consisted of Pieter Boone (Chair), Gabrielle Reijnen (until 12 December 2019), Alain Beyens and Bart Karis. The Remuneration Committee met three times in 2019. The Remuneration Committee discussed the performance and the remuneration of the organisation's top twenty managers with the Management Board. Reference was made to the remuneration report on page 49 of the annual report. The adjustment of the remuneration policy would be discussed in agenda items 10 and 11.

Huub Vermeulen would retire today in accordance with the retirement by rotation schedule. With the nomination of Barbara van Hussen and Maaïke Schipperheijn (see agenda items 13 and 14), the Supervisory Board has a balanced composition and is able to take well-considered decisions.

In the search for new members of the Management and the Supervisory Board, diversity on the basis of gender had been explicitly considered. In addition, the selection had been based on broad experience, background, skills, knowledge and insights, carefully considering a balanced composition in all of these areas. With the planned appointment of Gabriëlle Reijnen as CFO and member of the Management Board, the Supervisory Board's goal of increasing diversity in top management had been achieved. The planned appointments of Barbara van Hussen and Maaïke Schipperheijn represent a step forwards in achieving greater diversity in the composition of the Supervisory Board.

The Supervisory Board recognises the broad interests represented by the company and understands its responsibility towards all the stakeholders involved in the company.

2019 had been a very challenging year for the company that ultimately resulted in: a loan from shareholders, the divestment of Matratzen Concord, the issue of shares and the sale and leaseback of the distribution centers, which had been necessary to ensure a sustainable future. At the start of 2020, the business worked hard to strengthen the propositions and operational performance; the outbreak of COVID-19 currently requires much attention from management to be able to safeguard the health of our customers and staff. With regard to the past year in particular, nothing could have been achieved without the passionate and committed contribution of the staff and stakeholders. The Supervisory Board is grateful to everyone within the Group for his or her passion, energy and contribution to achieving the targets set.

The following question had been received in connection with this agenda item:

- *The Report of the Supervisory Board stated that extensive attention was devoted to the findings of the internal audit department with regard to improvement of the internal organisation. To which findings did this relate and what measures were being taken to improve the internal organisation?*

Pieter Boone, Chair of the Audit Committee, replied that on the request of the Management and the Supervisory Board, the Internal Auditor had examined a large number of core processes. These had been extensively reviewed and relevant actions had been taken.

4. Dividend policy and payment of dividend

In accordance with best practice provision 4.1.3 of the Corporate Governance Code, the dividend policy of the company was required to be dealt with annually as a separate agenda item. Reference was made to point 4. of the explanatory notes to the agenda. The dividend policy of Beter Bed Holding N.V. was set out on page 15 of the annual report.

As it had not been possible to comply with the conditions set in the dividend policy and no profit had been achieved for the 2019 financial year, no dividend would be distributed. Nor would a payment take place from the portion of the company's equity available for distribution.

No questions had been received.

5.a. Remuneration policy for the 2019 financial year

The Chair gave the floor to Pieter Boone, Chair of the Remuneration Committee. Reference was made to point 5.a. of the explanatory notes to the agenda and the remuneration report in the annual report (from page 49).

In 2019, the remuneration of the Management Board had comprised the following elements:

- A basic salary.
- A short-term variable remuneration.
- A long-term option scheme (under which all options on shares awarded were used for share purchases).
- A pension scheme.
- Other employee benefits.

In 2019, the remuneration of the Supervisory Board had comprised the following elements:

- A base fee for all members of the Supervisory Board.
- An additional base fee for the Chair of the Supervisory Board.
- A fee for participation in a committee.

More information on the remuneration of the Management Board and the Supervisory Board in the financial year 2019 is available in the notes to the consolidated balance sheet and profit and loss account as included in the 2019 annual report on pages 100 + 101.

In connection with this agenda item, pursuant to Section 2:135 (5) of the Dutch Civil Code, account was given of the implementation in 2019 of the remuneration policy for the Management Board. This was based on the disclosures relevant to the remuneration policy, as referred to in Sections 2:383c to 2:383e of the Dutch Civil Code.

5.b. Remuneration report for the 2019 financial year

This agenda item required an advisory vote. Reference was made to point 5.b. of the notes to the agenda. The implementation and the main features of the remuneration policy for the Management Board in 2019 were described in the remuneration report.

The remuneration report reflected the reporting requirements as provided for in Section 2:135b of the Dutch Civil Code, effective from 1 December 2019, and the Shareholder Rights Directive II (European SRD II Directive), effective from May 2017. The principal objective of the European SRD II Directive was to create greater transparency for the stakeholders of the company. A revised remuneration policy was presented in agenda items 10 and 11 that was fully aligned with this European SRD II Directive.

2019 had been a turbulent year for Beter Bed Holding in which the viability of the company had been at stake. As the depth of the crisis in which the company found itself became clear in the spring of 2019, the Supervisory Board noted that the performance targets that had been set at the start of the year for the short-term bonus (cash bonus) were no longer leading, following which the Supervisory Board decided to replace these with four milestones that the Management Board was required to achieve to save the company, i.e. agreement of an additional loan, realisation of the sale and leaseback of the three distribution centers, deleveraging of the senior debt and the divestment of Matratzen Concord. The Chair was pleased to report that the key milestones had been fully achieved and the company had made a new start. The CEO had received a maximum payment on his STI. The CFO had left the company just before the end of the year and had accordingly not been eligible for a bonus. Both the CEO and the CFO had received an award of share options as provided for in this policy.

Mr Boone answered the questions on the remuneration policy that had been received and that related to agenda items 5.a. and 5.b.

- *The targets for directors' variable remuneration had been adjusted in May/June after Beter Bed had found itself in a precarious situation. The four new milestones had been 'fully achieved in 2019' according to the Supervisory Board. Therefore, the maximum bonus had been paid out for 'averting bankruptcy and creating a new perspective for the Company'. What would the bonus pay-out percentage have been if Beter Bed had retained the original performance targets as set at the start of last year?*

The performance targets as set at the start of 2019 had ceased to be relevant owing to the exceptional situation in which the organisation found itself in June 2019. On that basis, the Supervisory Board decided, after thorough deliberation, to sell Matratzen Concord. New performance targets were set thereafter, which had resulted in this achievement for 2019.

- *Should safeguarding the continuity of a company as a going concern not form part of the regular set of duties of a director and therefore not justify any variable remuneration? Was a bonus, in fact, appropriate in a year in which Beter Bed's share price had fallen by almost 40 per cent?*

Safeguarding continuity as a going concern was certainly part of the regular set of duties. In extreme circumstances, such as last year, this had required exceptional performance: Beter Bed Holding had been saved. This exceptional performance, under extremely challenging circumstances, deserved exceptional performance-related remuneration.

- *In times of crisis, it was important for all stakeholders to demonstrate commitment to the company. Directors of many listed companies had recently made concessions (in the form of a salary cut). Why had the directors of Beter Bed not done so to date?*

To date, the impact on the business of Beter Bed Holding had been moderate and the consequences of corona and the impact it would have on Beter Bed Holding could not be reliably predicted. It was part of the responsibilities of the Supervisory Board and the Remuneration Committee to discuss this in the customary consultation with the management as soon as this came into play or became relevant.

- *The departure of Hugo van den Ochtend had come as a surprise. During the shareholders meeting on 26 November 2019 he had still been in office as CFO. There had been no indications of his imminent departure. On 12 December 2019, the press release had been issued announcing that he had been dismissed by the Supervisory Board, after having only been in office for little more than a year. As usual, the reasons had been confidential. Apparently, you had not chosen the right candidate in the selection procedure. What measures have you taken to ensure this does not happen again? The costs of the dismissal were € 362,000 (15x his monthly salary). After a period of employment of that same number of months. Why had such a high amount of severance pay been included in the contract and could that not be less in the future?*

As a result of the extreme circumstances of last year, the appointment had turned out not to be the right one. This underlined the importance of a careful selection procedure as had been carried out by the Supervisory Board. However, in exceptional circumstances, even careful selection processes could not always prevent an inappropriate candidate being appointed as a director. The contractually agreed compensation was highly customary in the market and was in line with what had been agreed upon the commencement of employment in 2018. The compensation of 15 months that was referred to was a combination of the customary statutory term of six months and a severance payment of nine months as had been stipulated in his contract.

Pieter Boone gave the floor back to the Chair, who in turn gave the floor to Ruud van Bork in order to announce the advisory vote. Of the total of 7,763,572 votes, 6,629,836 advisory votes in favour of the resolution, 372 votes against the resolution and 1,133,364 abstentions had been received. The Chair therefore established that the resolution to adopt the 2019 remuneration report had been adopted with 99.99% of the votes.

6. Presentation of the audit of the financial statements 2019

Beter Bed Holding had, for the purpose of the AGM, suspended PwC's duty of confidentiality. The external auditor had a rectification obligation, which is to say that if statements were made that provided a materially inaccurate presentation of the facts in relation to the financial statements or the auditor's report, PwC would request them to be corrected either during the meeting or before the final adoption of the minutes of the meeting

The Chair gave the floor to Mr Wim van Rooij, partner at PwC Accountants. Mr Van Rooij gave a presentation on the procedures performed, which had been carried out for the fifth year in succession, and the auditor's report. The format of the unqualified auditor's report that had been issued on 17 March 2020 on the financial statements 2019 was the same as that of last year. 2019 had been characterised by a strengthening of the company's financial position, in connection with which Matratzen Concord had been divested and sale-and-leaseback transactions for the real estate in the Netherlands had taken place. This had had an effect on the audit approach and had led to additional key audit matters. As a consequence of the outbreak of COVID-19, which had in fact occurred after the balance sheet date but had potentially far-reaching consequences for the company, additional disclosures had been included in the financial statements, the management report and the auditor's report (**slide 37**).

An unqualified auditor's report on the 2019 financial statements had been issued on 17 March 2020. Attention was drawn to the material uncertainty regarding continuity as a going concern which had been discussed in the financial statements and the management report. The report contained a summary of the audit approach on the following key audit matters: the accounting for the completed sale of Matratzen Concord, the financial position and refinancing, the transition to IFRS 16 Leases and the accuracy of revenue. The audit plan including the risk areas and focus areas, including fraud, had been discussed with the Audit Committee (**slide 38**).

The materiality for the financial statements as a whole had been set at € 3,400,000 on the basis of 1% of revenue. In the auditor's view, on the basis of the shared information requirements of the users of the financial statements, revenue was an important key figure for the financial performance of the company. The materiality for the components where procedures were performed was at a lower level. It had been decided to apply a lower materiality for Beter Bed B.V. on the basis of 1% of revenue of continued operations (slide 39).

BBH Services GmbH & Co. KG, Matratzen Concord GmbH and Beter Bed B.V. had been included in the group audit and procedures had been performed on specific items for other components. There had been close cooperation in Germany with PwC Germany. To that end, their reporting and relevant working documents had been reviewed and the financial results, principal estimates and findings had been discussed with both the audit team in Germany and the local finance director. The team further comprised specialists in the areas of IT and taxation and experts were involved in the assessment of the financial position and refinancing and IFRS 16. The key audit matter of accuracy of revenue had been discussed in previous years. Reference was made to the auditor's report for explanatory information and the auditing method for those matters. Three new key audit matters were however considered in detail.

The first new key audit matter had been the accounting for the completed divestment of Matratzen Concord. It had been decided in June 2019 to divest Matratzen Concord. The divestment had been completed on 2 December 2019 with a loss of € 13.3 million. Matratzen Concord had been recognised in the annual report as a discontinued operation in conformity with IFRS 5. This accounting treatment in the financial statements was not-routine and significant for the view provided in the financial statements and for the stakeholders of the company. The company carried out an analysis of the moment when the requirements of IFRS 5 had been met and had accounted for these operations as discontinued operations as from that time. As the results of Matratzen Concord had been included in the consolidated financial results until the time of the sale in December, the scope of the audit had not changed and the full financial statements at the time of the sale had been audited for BBH Services GmbH & Co. KG and Matratzen Concord in Austria. In addition, note had been taken of the sale, purchase and investment agreement on the effective dates and other dates, and the calculation of the loss on sale had been assessed and a reconciliation of bank receipts had been performed. Lastly, the disclosures in the financial statements had also been verified. No material findings had been identified in the review.

The second key audit matter concerned ensuring new financing on a timely basis to be able to continue to meet the financing requirements, as the current financing would expire as of July 2020. To that end, various actions had been taken to reduce debt: the sale-and-leaseback of the three distribution centers in the Netherlands, the issue of share capital, the agreement of a shareholders loan – which had subsequently partly been converted into a perpetual loan – and the sale of Matratzen Concord as already discussed. In addition, the Management Board had conducted an analysis of the continuing operations, in which assumptions had been made and an estimate had been prepared of the risk and opportunities. The audit procedures relating to this key audit matter had comprised evaluating the various actions taken by Beter Bed Holding to obtain new financing and reviewing whether the disclosures in the annual report were adequate. For the three sale-and-leaseback transactions, the underlying contracts had been examined to assess classification as sale-and-leaseback.

The calculations had been tested and the measurement of the right-of-use asset and the lease liability had been reviewed, in connection with which no material findings had been identified. In addition, the loan agreements with the shareholders had been tested on relevant factors such as the amount, interest rate and repayment terms. Half of those loans had been converted as of 31 December 2019 into perpetual loans that had been classified as equity. On the basis of the underlying contracts, PwC had identified no material findings. Supported by experts, PwC had assessed, where possible, components against results already realised, operational KPIs, results of actions taken and external sources. In addition, the disclosures in the financial statements and the management report had been reviewed. Based on those procedures, no material findings had been identified in the assessment of the management concerning the refinancing.

The third new key audit matter related to the implementation of IFRS 16 – the new standard on Leases. That standard was effective for annual periods beginning on or after 1 January 2019. For Beter Bed, this standard resulted in a right-of-use asset and lease liability of € 142 million in the opening balance sheet. The process of management had been evaluated, together with the choices that had been made in applying the standard. To that end the inputting of the contracts in the software package, the accuracy of the calculations that were made in the software package and the completeness of the contracts had been tested. The corresponding results had been discussed with the management and followed up adequately. In addition, the IT general controls for the software package applied had been assessed. No findings had been identified in this context. Inquiries had been made of management on the assumptions applied, specifically the discount rates, the application of a single discount rate for a portfolio of leases and the assumptions concerning contract renewals. PwC considered management's assumptions to be reasonable. Lastly, the disclosures in the financial statements had been assessed (slide 40).

PwC considered the tone of the Management Board in the annual report to be appropriate and had ascertained that the required disclosures, including COVID-19, had been included and that the annual report was consistent with the financial statements. In detail, the reconciliation had been performed between the financial information in the annual report and the disclosures in the financial statements, the test of details and internal management reports and the observations had been shared with the Management Board. The description of the risk management and system of controls included in the annual report was not inconsistent with the outcomes of the financial statements audit. The principal risks that PwC deemed relevant to Beter Bed Holding N.V. with a view to the financial statements had been disclosed in the risk section.

Owing to rotation requirements, Paulus Wijffels would take over the audit from Wim van Rooij. Wim van Rooij stated that he had performed the auditor's activities at Beter Bed with great pleasure in the past five years. He thanked the current Management Board and Supervisory Board as well as their predecessors for the pleasant cooperation (slide 41).

Wim van Rooij also answered the questions received on this agenda item:

- *In its auditor's report, PwC referred to the note in the financial statements in which the Management Board announced that COVID-19 may have a severe impact on Beter Bed. PwC then stated "This indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter." What had been the principal reasons for the auditor to issue a wholly unmodified opinion despite that uncertainty, i.e. without 'emphasis of matter'?*

The report had in fact included an emphasis of matter, stating that owing to COVID-19, material uncertainty related to going concern had arisen. This had arisen because as a consequence of the post-balance sheet event, i.e. the COVID-19 pandemic, it entailed material uncertainties as to how long this would last and what its impact on Beter Bed's operations would be. Beter Bed had adequately disclosed this in the financial statements and reference had been made to this in the auditor's report.

- *What actions exactly had the assessment by PwC of the liquidity analysis as prepared by the Management Board comprised? Had the Management Board of Beter Bed made any changes, further to PwC's audit procedures, to the assumptions on which the liquidity forecast had been based?*

PwC's procedures were described in detail in the auditor's report under the key audit matter financial positioning and refinancing. This stated that the analyses prepared by the company had been assessed with the support of experts. Where possible, the assumptions included in those analyses had been tested by comparing them with previously realised results, the results that were 'current' at that time, operational KPIs, the results of actions taken and external sources. This was conducted by means of a mix of audit techniques, such as inquiry with various persons in the organisation, reviews of the underlying models applied and reconciliation to underlying documents with a preference for external documents, where available. In addition, the mathematical accuracy of the models applied was ascertained. As a consequence of these procedures, the underlying analysis and documentation in particular had been further strengthened.

- *What was PwC's assessment of Beter Bed's budget and forecasting capabilities?*

In connection with the financial statements audit, PwC was able to rely to a sufficient extent on Beter Bed's budgeting and forecasting process.

Wim van Rooij gave the floor back to the Chair for the last question, which was answered by Pieter Boone as Chair of the Audit Committee.

- *According to the auditor, what factors were of elementary importance for Beter Bed to be able to continue to operate as a going concern?*

It was important for the company for the refinancing to take place in order to meet the financing requirement, for costs/expenditure to be controlled, and for sales/income to remain at an adequate level.

7. Adoption of the financial statements for the 2019 financial year

Reference was made to the financial statements in the annual report (from page 57).

Pursuant to article 32 (2) of the Articles of Association, the financial statements are adopted by the Annual General Meeting.

A question had been received on this agenda item that was answered by Pieter Boone:

- *What recommendations had PwC made in the 2019 management letter regarding (i) the quality of the staffing of managerial positions, (ii) internal control with regard to financial reporting, (iii) IT systems and (iv) the budget and forecasting capabilities of Beter Bed?*

The description of the main findings identified by the auditor in the audit had been included in the auditor's report. The management letter had been discussed extensively by the Audit Committee and the Supervisory Board with the Management Board and the relevant actions had been followed up.

The Chair gave the floor to Ruud van Bork to announce the result of the vote. A total of 6,630,212 votes in favour of the resolution and 1,133,360 abstentions had been received. Therefore the Chair established that the resolution to adopt the 2019 financial statements had been adopted with 100% of the votes.

8. Release from liability of the members of the Management Board for the management conducted

In accordance with best practice provision 4.1.3 of the Corporate Governance Code, the discharge of the company's Management Board members from liability was required to be dealt with annually as a separate agenda item.

No questions had been received.

With regard to the vote, the Chair gave the floor to Ruud van Bork to announce the result of the vote. A total of 6,629,804 votes in favour of the resolution, 400 votes against the resolution and 1,133,368 abstentions had been received. The Chair established that the resolution to grant release from liability to the Management Board had been adopted with 99.99% of the votes.

9. Release from liability of the members of the Supervisory Board for the supervision conducted

In accordance with best practice provision 4.1.3 of the Corporate Governance Code, the discharge of the company's Supervisory Board members from liability was required to be dealt with annually as a separate agenda item.

No questions had been received.

The Chair gave the floor to Ruud van Bork to announce the results of the vote. A total of 6,630,204 votes in favour of the resolution and 1,133,368 abstentions had been received. Therefore the Chair established that the resolution regarding this agenda item had been adopted with 100% of the votes.

10. Adjustment of remuneration policy for the Management Board

Pieter Boone, Chair of the Remuneration Committee, took the floor. Reference was made to point 10. of the notes to the agenda. The complete, revised remuneration policy for the Management Board was available in Annexe I of the notes to the agenda.

The Remuneration Committee had drawn up a new remuneration policy for the Management Board for two reasons: (i) the remuneration policy that had been approved by the General Meeting in 2006 needed to be revised to align it with current market practices and insights into governance, and (ii) to comply with the additional requirements as included in the aforementioned European SRD II and its implementation in Dutch law. A benchmark comparison of the remuneration of Beter Bed with that of a peer group of Dutch small cap companies had shown that the base salary and the STI were in line with market practice but that the variable long-term remuneration was far below the median. The current variable long-term remuneration, paid out in share options, did not provide a long-term incentive to achieve the ambitious strategy of Beter Bed Holding. The Supervisory Board therefore proposed the following:

- The introduction of a performance stock unit plan (PSU) in the remuneration package and discontinuation of the option plans.
- A conditional award of 50% of the base salary, as part of a balanced total direct remuneration. The package offered an approximately equal 50:50 apportionment between fixed and variable remuneration, with comparable portions of STI and LTI.

A similar PSU plan would be introduced for a select number of senior managers in order to safeguard internal alignment. In consultation with shareholders and their representatives, support had been received for the direction of this policy. The proposed policy had been presented to the Works Council, which had rendered a positive advice.

The Chair of the Works Council, Gemma Melsen, had issued the following statement in connection with the Works Council's right to speak:

Various factors played a part in the formulation of a response to a request for advice, all of which were assessed very carefully before finalising recommendations. As the Works Council of Beter Bed B.V., we are currently in a special position in relation to the holding company, as there was no other Works Council within the Group. In this position, we not only had a direct line with the Management Board of Beter Bed B.V. but additionally also with the Management Board of the holding company and informally also with the Supervisory Board. The Works Council concurred with the rationale for adjusting the remuneration policy as the present share option plan had not led to an actual pay-out and therefore had proven to be ineffective as a remuneration instrument. Replacing the present share option plan with a performance stock unit plan would heighten the focus on strategic objectives and long-term value creation. The Works Council had rendered a positive advice.

The following question had been received with regard to this topic:

- *In the notes on the adjustment of the remuneration policy, Beter Bed had stated that the current option plan had proven to be ineffective as a remuneration instrument as it had not led to an actual pay-out of remuneration. Was it not the case that the policy had in fact operated adequately because, due to the disappointing performance there could neither be nor have been any talk of variable remuneration?*

If a variable remuneration instrument did not produce results year after year, it would serve as a disincentive instead of stimulating maximum commitment and would not be effective as a remuneration policy. Moreover, options were not directed at share participation and were therefore a less efficient instrument for aligning the interests of directors with the interests of shareholders.

Pieter Boone gave the floor back to the Chair.

Pursuant to Section 135a (2) of the Dutch Civil Code, a qualified majority of 75% was required for this agenda item.

The Chair gave the floor to Ruud van Bork to announce the voting instructions. A total of 6,629,837 votes in favour of the resolution, 375 votes against the resolution and 1,133,360 abstentions had been received. Therefore, the Chair concluded that the resolution to adjust the remuneration policy for the Management Board had been approved with 99.99% of the votes.

11. Adjustment of remuneration policy for the Supervisory Board

The Chair again gave the floor to Pieter Boone. Reference was made to point 11. of the notes to the agenda and Annexe II for the complete, revised remuneration policy.

The Remuneration Committee had also drawn up a new remuneration policy for the Supervisory Board. The new requirements under SRD II were the principal reason for proposing a new remuneration policy, which had last been approved by the General Meeting in 2015. To that end the amount and the structure of the remuneration had been evaluated, for which purpose the same peer group of small cap companies had been used as for the evaluation of the remuneration of the Management Board. The present remuneration levels at Beter Bed Holding were at the lower end of the reference group. The evaluation considered the high intensity of the supervisory activities in the past year; the holding of around 25 Supervisory Board meetings, seven committee meetings and the teamwork that was necessary to fill the role properly. The Supervisory Board proposed to increase the total fee to € 50,000 for the Chair and € 40,000 for the members, structured as a single fixed annual all-in fee instead of a structure comprising base fees and committee fees as had been customary until now. The Supervisory Board believed that this structure promoted teamwork and an equal sharing of the work load in the Supervisory Board. Pursuant to the provisions of article 28 of the articles of association of Beter Bed Holding N.V. and in accordance with Section 2:135a (6) of the Dutch Civil Code, the Supervisory Board hereby proposed to amend the new remuneration policy for the members of the Supervisory Board.

The Works Council of Beter Bed had rendered a positive advice on this adjustment. In the statement of the Chair of the Works Council in connection with the right to speak it had been observed that in the Works Council's view it was appropriate to concentrate the remuneration policy for the Supervisory Board in one fixed annual all-in and market-based fee in cash as well.

No questions had been received.

Pieter Boone gave the floor back to the Chair. A qualified majority of 75% was likewise required for this agenda item. The Chair gave Ruud van Bork the opportunity to announce the votes that had been received. A total of 6,629,844 votes in favour of the resolution, 368 votes against the resolution and 1,133,360 abstentions had been received. Therefore the Chair established that the resolution to amend the remuneration policy for the Supervisory Board had been adopted with 99.99% of the votes.

12. Appointment of Mrs G.E.A. Reijnen as statutory director/member of the Management Board

Reference was made to point 12. of the notes to the agenda.

Pursuant to the provisions of article 18 of the articles of association of Beter Bed Holding N.V., the Supervisory Board nominated Mrs Gabrielle Reijnen for appointment as a Statutory Director in the position of CFO of Beter Bed Holding N.V. for a term ending on conclusion of the General Meeting to be held after her four-year term had elapsed. From April 2019 to December 2019, Gabrielle Reijnen had served as a member of the Supervisory Board of Beter Bed Holding N.V. and Chair of the Audit Committee. In view of Gabrielle Reijnen's years of management experience in financing, corporate governance and compliance, and the way she fulfilled her role as CFO, the Supervisory Board considered her to be qualified to carry out her role as Statutory Director at Beter Bed Holding. She had been involved in the day-to-day affairs at Beter Bed Holding since 12 December 2019. The Works Council of Beter Bed had rendered a positive advice on her appointment.

The Chair of the Works Council had submitted the following statement in connection with the Works Council's right to speak:

The past year has been an extremely turbulent year for Beter Bed, in which a great deal has happened. This has also required huge attention from us and besides the regular duties on the Works Council's agenda concerning the B.V., the status of the holding company has also been a recurring item on the agenda. As Works Council, we have always been kept informed of the latest developments by CEO John Kruijssen. These frequent, extensive contacts have taken place whenever necessary or desirable, regardless of the day and time. Naturally, these types of contact have taken place not just with us as Works Council, but, for instance, also with you as Supervisory Board, with advisers, stakeholders, lawyers, accountants, Management Board members, staff, parties in negotiations and the media.

We were now in a highly promising situation to which the Supervisory Board has also made a huge contribution and the then Supervisory Board member Gabrielle Reijnen has certainly also played a positive part in this with her knowledge and commitment. Accordingly, we welcomed the request for advice on the appointment of Mrs Reijnen as CFO and Statutory Director following the departure of CFO Hugo van den Ochtend. Besides the fact that Mrs Reijnen's CV closely matches the job requirements for the CFO, her vision, proven commitment and personality also closely fit the requirements for cooperation with the CEO as joint Management Board team.

Pieter Boone answered the associated questions received:

- *Will Mrs Reijnen's other positions as supervisory director not hamper her in performing adequately as CFO of a company that was engaged in a far-reaching process of transformation?*

Mrs Reijnen is fully available for Beter Bed Holding and flexibility in terms of her planning and commitments will enable her to carry out the work required for her positions as supervisory director. She had demonstrated this so far and the Supervisory Board is firm in its conviction that she will continue to demonstrate this in the future as well.

- *As a matter of principle, the VEB (Dutch Investors' Association) was opposed to the award of variable remuneration components that did not depend on performance criteria. Could Beter Bed explain why Mrs Reijnen was awarded 100,000 signing options? Did the Supervisory Board believe that Mrs Reijnen would not have accepted the job if she had not been offered this arrangement?*

The Remuneration Committee and the Supervisory Board had followed the line that had been initiated in 2018 and on that basis, a market-based package had been offered to Mrs Reijnen.

- *Why had Beter Bed not made the final award of the options conditional on the achievement of (financial) objectives?*

A signing option was intended as compensation for something else. As soon as you made the award performance-related, it no longer served as compensation for something else.

- *Why had no shares been awarded instead of options?*

The available possibilities had been used to that end. There had been no share plan at that time.

Pieter Boone gave the floor back to the Chair, who gave the floor to Ruud van Bork in order to announce the votes received: A total of 6,630,212 votes in favour of the resolution and 1,133,360 abstentions had been received. Therefore the resolution to appoint Mrs Reijnen as Statutory Director for a term of four years had been adopted with 100% of the votes.

The Chair congratulated Gabrielle Reijnen on her appointment. After the close of the stock exchange, a press release would be published to announce her appointment and the composition of the Supervisory Board.

13. Appointment of Mrs B.M.A. van Hussen as a member of the Supervisory Board

Reference was made to point 13. of the notes to the agenda.

Under the provisions of article 25 of the articles of association of Beter Bed Holding N.V., the Supervisory Board nominated Mrs Van Hussen for appointment as Supervisory Director for a term commencing on 13 May 2020 and ending on conclusion of the General Meeting to be held after her four-year term had elapsed. Because of her experience as a partner lawyer in, among others, Labour, Company Law, M&A and Private Equity, as a university (guest) lecturer in Leiden, Amsterdam and Utrecht, her additional activities as director and Chair of the Supervisory Board of Blokker Holding, the Supervisory Board is of the opinion that Mrs Van Hussen is a legal expert with the right competences to join the Supervisory Board.

Owing to the live webcast as a consequence of the corona crisis, Barbara van Hussen introduced herself to the shareholders in a video. Mrs Van Hussen had Dutch nationality and held no shares in Beter Bed Holding. A Contract of Engagement had been concluded with Mrs Van Hussen in line with the remuneration policy that had been considered and adopted in agenda item 11. The Works Council had been given the opportunity to determine its position with reference to this proposed appointment in good time prior to the date of the convening notice.

The statement of the Works Council was as follows:

The frequent, open and intensive contact of the CEO with the Works Council had helped to create a bond of trust on the basis of which we acted jointly where applicable and as swiftly as desirable. The CEO had submitted and explained the request for advice on the proposed appointment of Mrs Van Hussen to us on behalf of the Supervisory Board. As you can imagine, on the basis of that bond of trust, the Works Council attached great importance to the explanatory information provided on this by the CEO. In addition, the Works Council was convinced of the expertise of Barbara van Hussen and her added value in legal matters for the Supervisory Board. The Works Council had therefore also rendered a positive advice on this request.

No questions had been received.

With regard to the vote, the Chair gave the floor to Ruud van Bork. He announced that 6,630,212 votes in favour of the resolution and 1,133,360 abstentions had been received. Therefore the resolution to appoint Mrs Van Hussen as a member of the Supervisory Board for a term of four years had been adopted with 100% of the votes.

The Chair congratulated Barbara van Hussen on her appointment. After the close of the stock exchange, her appointment would be announced via a press release.

14. Appointment of Mrs M.C. Schipperheijn as a member of the Supervisory Board

Reference was made to point 14. of the notes to the agenda.

Under the provisions of article 25 of the articles of association of Beter Bed Holding N.V., the Supervisory Board nominated for appointment Mrs Maaïke Schipperheijn as Supervisory Director for a term commencing on 13 May 2020 and ending on conclusion of the General Meeting to be held after her four-year term had elapsed. Because of her extensive international experience in the field of audit, financing, corporate governance and compliance as well as her experience as a member of the Supervisory Board of Maastricht University Fund and Hague Health Foundation where she also was a member of the Audit Committee, Maaïke Schipperheijn had the necessary financial expertise and the right competences to not only become a member of the Supervisory Board of Beter Bed Holding N.V., but also to take up the position as Chair of the Audit Committee. She would succeed Pieter Boone, who had temporarily held this position after Gabriëlle Reijnen took on the position of CFO.

An introductory video of Maaïke Schipperheijn was shown. Mrs Schipperheijn had Dutch nationality and held no shares in Beter Bed Holding. As with Barbara van Hussen, a Contract of Engagement was concluded with Maaïke Schipperheijn in line with the remuneration policy that had been considered and adopted in agenda item 11. Expanding on the statement of the Works Council regarding the preceding agenda item, the Chair of the Works Council added that with regard to the appointment of Maaïke Schipperheijn as a member of the Supervisory Board, the Works Council likewise attached great importance to the explanatory information given by the CEO and was convinced that Maaïke Schipperheijn's expertise in the financial field would provide added value for the Supervisory Board. The Works Council had therefore rendered a positive advice on her appointment.

No questions had been received.

The Chair gave the floor to Ruud van Bork to announce the votes. He announced that 6,630,212 votes in favour of the resolution and 1,133,360 abstentions had been received. Therefore the Chair established that the resolution to appoint Maaïke Schipperheijn as a member of the Supervisory Board for a term of four years had been adopted with 100% of the votes.

The Chair congratulated Maaïke Schipperheijn on her appointment. After the close of the stock exchange, a press release announcing her appointment would be issued.

15. Reappointment of the external auditor

Reference was made to point 15. of the notes to the agenda.

The floor was given to Pieter Boone, acting Chair of the Audit Committee. In accordance with best practice provision 4.1.3 of the Corporate Governance Code, the Supervisory Board proposed, based on the recommendation of the Management Board and the Audit Committee, to reappoint PwC as external auditor for the audit of the 2020 financial statements. Wim van Rooij, partner at PwC, had been responsible for the financial statements audit for five years. Due to the mandatory auditor rotation, that responsibility would be transferred to Mr P.J.R.M. Wijffels, also a partner at PwC. Due to the corona crisis, Paulus Wijffels had been introduced to the shareholders by means of an introductory video. The shareholders were requested to approve the reappointment of PwC as external auditor under the responsibility of Paulus Wijffels.

No questions had been received.

The Chair gave the floor to Ruud van Bork to announce the votes cast. A total of 6,630,212 votes in favour of the resolution and 1,133,360 abstentions had been received, and therefore this agenda item had been adopted with 100% of the votes.

16. Authorisation of the Management Board to have the Company acquire its own shares

Reference was made to point 16. of the notes to the agenda.

On the basis of article 13 of the articles of association it was requested that the Management Board be authorised to repurchase shares in the company's own capital up to a maximum of 10% of the number of shares outstanding. The purchase price must not exceed the average closing price on the five stock exchange trading days prior to the date of acquisition by more than 10%. This authorisation was requested for a period of 18 months from the date of this General Meeting. If this authorisation was granted then the current authorisation would no longer be exercised.

No questions had been received.

The Chair gave the floor back to Ruud van Bork to announce the voting instructions. On this agenda item, a total of 6,629,844 votes were cast in favour of this resolution, 368 votes were cast against this resolution and there were 1,133,360 abstentions. The Chair established that the resolution to authorise the Management Board to acquire/repurchase up to 10% of the number of shares outstanding in its own capital had been adopted with 99.99% of the votes.

17. Authorisation of the Management Board to issue ordinary shares or to grant rights to subscribe for ordinary shares up to 10% for general purposes, including but not limited to the execution of Beter Bed Holding N.V.'s Performance Stock Unit Plan

Reference was made to point 17 of the notes to the agenda.

Based on article 10 of the articles of association, the Supervisory Board and the Management Board requested authorisation to issue new shares, and/or authorisation to grant rights to subscribe to shares, up to a maximum of 10% of the share capital outstanding at the time of the meeting for general purposes, including but not limited to the execution of Beter Bed Holding N.V.'s Performance Stock Unit Plan. This authorisation was requested for a period of 18 months from the date of this General Meeting and was subject to the approval of the Supervisory Board. If this authorisation was granted then the current authorisation would no longer be exercised.

No questions had been received.

With regard to the vote, the Chair gave the floor to Ruud van Bork. A total of 6,629,444 votes had been cast in favour of this resolution, 768 votes were cast against this resolution and there were 1,133,360 abstentions, and it was therefore established that the resolution concerning this agenda item had been adopted with 99.99% of the votes.

18. Authorisation of the Management Board to restrict or exclude preferential rights in connection with agenda item 17

Reference was made to point 18. of the notes to the agenda.

The authorisation of the Management Board was requested to limit or exclude the preferential rights as set out in article 11 of the articles of association. This authorisation was requested for a period of 18 months from the date of this General Meeting and was subject to the approval of the Supervisory Board. If this authorisation was granted then the current authorisation would no longer be exercised.

No questions had been received.

The Chair gave the floor to Ruud van Bork to announce the votes cast. As less than half of the total issued share capital was represented, i.e. 32.21%, a statutory majority of two-thirds of the votes cast was required for this resolution. A total of 6,629,437 of the votes received had been cast in favour of this resolution, 775 votes had been cast against this resolution and there were 1,133,360 abstentions. The Chair established that this resolution had been adopted with 99.99% of the votes.

19. Authorisation of the Management Board to cancel acquired shares

Reference was made to point 19. of the notes to the agenda.

The Management Board, with the approval of the Supervisory Board, proposed that authorisation be granted for the reduction of the issued capital, as provided for in article 15 of the articles of association, by the cancellation of the company's shares acquired pursuant to the authorisation granted under agenda item 16. The Management Board would determine the number of shares to be cancelled pursuant to this resolution, with a maximum of 10% of the number of outstanding shares equal to the maximum under agenda item 17. The cancellation of shares could take place in one or more tranches. The cancellations would take place on the dates determined by the Management Board and with due regard for the mandatory two-month opposition period.

No questions had been received.

Ruud van Bork announced that 6,629,847 votes had been cast in favour of this resolution, 365 votes had been cast against this resolution and there were 1,133,360 abstentions, and the Chair therefore established that this resolution had also been adopted with 99.99% of the votes.

20. Announcements

The Chair thanked Wim van Rooij for the huge commitment he had demonstrated as external auditor in the past five years, during which major changes had taken place at Beter Bed Holding in which the auditor had played a special part.

The Chair also addressed the retirement of Huub Vermeulen as a member of the Supervisory Board. Huub Vermeulen had decided to step down as a member of the Supervisory Board at this General Meeting. He had been a dedicated member of the Supervisory Board since 26 April 2018. He had decided to step down because his position as CEO at Bol.com had become more demanding due to its success and had therefore become more difficult to combine with his position as a member of the Supervisory Board of Beter Bed Holding N.V. The Management Board and the Supervisory Board were grateful for the dedication with which Huub Vermeulen had served the company as a member of the Supervisory Board and thanked him for his contribution. The Chair gave the floor to Huub Vermeulen who provided further information on his decision. Huub Vermeulen also stated his admiration for his fellow members of the Supervisory Board and the Management Board for the realistic and passionate way in which the organisation had been managed in these special circumstances and had had to take tough decisions in 2019. He wished them every success and looked forward to the future of Beter Bed Holding with confidence.

Lastly, the Chair thanked Pieter Boone for the flexibility he had shown in temporarily acting as Chair of the Audit Committee, thereby enabling the company to conduct a diligent search for a new financial expert.

21. Any other business

Owing to the hybrid setting of the meeting as a consequence of the corona crisis, it had not been possible to consider any other business.

22. Closing

The Chair thanked those in attendance for their participation in this webcast, their flexibility and their constructive contribution to the shareholders meeting in these special circumstances. He hoped he would be able to welcome all shareholders in the customary manner again, and in good health, next year. The Chair closed the meeting.

List of resolutions

- Adoption of the 2019 remuneration report (advisory resolution).
- Adoption of the financial statements for the financial year 2019 approved by the Supervisory Board.
- Release from liability of the members of the Management Board for the management conducted.
- Release from liability of the members of the Supervisory Board for the supervision conducted.
- Adoption of the adjustment of the remuneration policy for the Management Board.
- Adoption of the adjustment of the remuneration policy for the Supervisory Board.
- Appointment of Mrs G.E.A. Reijnen as Statutory Director.
- Appointment of Mrs B.M.A. van Hussen as a member of the Supervisory Board.
- Appointment of Mrs M. C. Schipperheijn as a member of the Supervisory Board and Chair of the Audit Committee.
- Reappointment van PwC as external auditor under the responsibility of Mr P.J.R.M. Wijffels RA (partner).
- Authorisation of the Management Board to have the company acquire/repurchase its own shares.
- Authorisation of the Management Board to issue ordinary shares or to grant rights to subscribe for ordinary shares up to 10% for general purposes, including but not limited to the execution of Beter Bed Holding N.V.'s Performance Stock Unit Plan.
- Authorisation of the Management Board to restrict or exclude preferential rights in connection with the preceding resolution.
- Authorisation of the Management Board to cancel acquired shares.

Mr B.E. Karis,
Chair

Mrs G. de Jong-Ruijs,
Secretary