



MINUTES ANNUAL GENERAL MEETING OF BETER BED HOLDING N.V.

Held on Wednesday, 11 May 2022 at 14.00 hours at Van der Valk Hotel, Rondweg 2 in Uden, the Netherlands.

Present on behalf of Beter Bed Holding N.V.

Supervisory Board:

Mr B.E. Karis (chair)
Mrs B.A.M. van Hussen
Mrs M.C. Schipperheijn
Mr A. Beyens (virtual)

Management Board:

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

1. Opening

After raising some points of order, the chair opened the meeting. He was pleased, after having been forced to meet virtually in the past two years, to be able to welcome everybody in person once again. Present in addition to the chair, were: Barbara van Hussen, Maaïke Schipperheijn and Alain Beyens (virtually) on behalf of the Supervisory Board, and John Kruijssen and Gabriëlle Reijnen on behalf of the Management Board of Beter Bed Holding N.V. (BBH). Also present were Michel van Agt, civil-law notary at Loyens & Loeff, who cast the proxy votes; Bas Dekker, legal counsel at BBH; Dorus Dortmans, Group Financial Controller at BBH; Perijn Hoefsloot (responsible for Strategic Business Development, Marketing & Customer Experience); and Jaap Westland (responsible for Sustainability & Innovation) on behalf of Beter Bed's Group Leadership Team; the executive committee of the Works Council of BBH; Paulus Wijffels, auditor; Brigit van Loon, who acted as vote counter, and Gusta de Jong, who acted as secretary and keeps the minutes.

Of the total 27,186,564 outstanding shares, 15,697,656 (57.74%) voting shares were represented at the meeting.

The Supervisory Board was pleased to announce that BBH had a solid year operationally, financially and strategically. This was an outstanding performance, given all restrictive measures caused by the COVID-19 pandemic. The chair expressed his thanks and appreciation to all employees for their hard work. All relevant requirements for the Annual General Meeting (AGM) having been met, valid resolutions might be adopted.

The minutes of the AGM of 12 May 2021 and of the Extraordinary General Meeting (EGM) of 16 December 2021 were posted on the Company's corporate website within three months of the end of the relevant meeting in accordance with the rules of the Corporate Governance Code (Article IV3.10). No comments having been received to either minutes, they were adopted and signed by the chair and the secretary.

All information relevant for the shareholders was available on the corporate website at www.beterbedholding.com.

An audio recording was made of the meeting.

2. Report of the Management Board for the 2021 financial year

John Kruijssen, CEO, and Gabrielle Reijnen, CFO, explained the most important developments in the 2021 financial year. During their presentation, the management report, sustainability and the financial results were addressed. The presentation was published on the corporate website.

John Kruijssen started his presentation by concluding that 2021 was a good year from a commercial and financial point of view, despite the fact that due to COVID-19 the stores were forced closed, or were only open to a limited extent, for many weeks. BBH's net profit increased significantly in the past year, due, among other things, to strong performance online and by DBC, the sale of Sängjätten, and the implementation of the 'Beter Slapen, Beter Leven' (Sleep Better, Live Better) strategy. BBH closed the year with a strong cash position. In addition, the Company renewed the financing packages and the perpetual loan was repaid, so that it was possible to put the proposal to distribute dividend on the agenda this year (slide 8).

After the restructuring in 2018/2019, BBH was well on track with the implementation of the strategy. The years 2020/2021 were used to take a new direction, based on a stronger foundation provided by profitable growth, improved operations, improved cash generation and absence of leverage. The period 2022-2025 would focus on the implementation of the 'Beter Slapen, Beter Leven' strategy and the migration to more expert advice, health and sustainability, while the focus on value-for-money, a dominant presence in the market - both offline and online - and a further acceleration within B2B would remain unaltered (slide 9).

The 'Beter Slapen, Beter Leven' strategy underlined the vision and mission: BBH is convinced that better sleep contributes to a happier and healthier life. The Company will not rest until customers get the high quality of sleep they deserve (slide 10).

In view of this, John Kruijssen explained the importance of high-quality sleep. Research showed, among other things, that people must sleep a certain number of hours; chronically insufficient sleep reduces human productivity and increases the risk of chronic health problems and traffic accidents (slide 11).

John Kruijssen identified the three pillars of healthy life: healthy nutrition, adequate exercise and healthy sleep. Based on average weekly consumer spending on sleep (€2), food (€20), and sports (€10), he made the case that promoting the importance of sleep would generate fair share and thus would increase sales for the Company. Gadgets developed in the tech industry also contributed to this (slide 12).

In addition to sleeping, BBH's strategy was based on seven market trends (omni-channel; doubling down digital; from ownership to services; health awareness; sustainability; vertical integration; geographic expansion) (slide 13).

Based on these trends, BBH's strategy would be rolled out into three "avenues of growth". The first, "Bricks-and-Mortar", focused on the physical network that would be further differentiated going forward in upgrading existing boulevard stores, opening four experience stores, such as the Beter Bed Experience in Groningen and, if successful, a number of high-traffic (city) stores in the Netherlands, of which the store in the Mall of the Netherlands was an example. This differentiation should lead to more specific stores closer to customers, but with less floor area in square meters overall. The second avenue, "Online", was steadily growing towards a 25% channel share. On the one hand, this supported the bricks-and-mortar network while on the other hand generating a significant turnover volume online, with an international rollout under own management or on third party platforms being part of the plan. The third avenue, "Nourish the New" (New Business) referred to DBC and Leazzzy. The wholesaler DBC would be further expanded, to which, in addition to M line, new brands would be added. The subscription model, Leazzzy, was also being expanded. These developments, products and operations were becoming increasingly sustainable in close collaboration with suppliers, authorities, waste processors and government (slide 14).

A video was shown of the design of the Beter Bed Experience store in Groningen, which reflected the new 'Beter Leven, Beter Slapen' strategy. The Experience store also served as a test case, in which data-driven insights were used to make further improvements that were relevant to the Company as a whole. Among other things, the Beter Slapen ID was tested here, so that it could be rolled out elsewhere (slides 15 and 16).

A sneak preview was given of the new high-traffic store to be opened in the Mall of the Netherlands. In line with the Experience store in Groningen, the feel of the high-traffic store would be completely different from the regular shops, focusing on product range, textiles, cash & carry, omni-channel technical innovations, Beter Slapen ID and the configurator. The aim of this store was to reach as many people as possible looking for a fun shopping experience and offering them expert sleep advice (slide 17).

Partly as a result of the lockdown, online made not only good progress in order intake and sales, but also qualitatively. The Management Board foresaw ongoing strong growth in fair share, both on its own website, in particular with the order intake in Textiles, but also on the large third-party platforms. With the introduction of the Lunext label, the Company created its own biosphere, with its own dynamics, for online, which felt more compelling for candidates to join. Great strides had been made in the ongoing improvement of the omni-channel customer journey, navigation, configurators, photography, speed of delivery and product range and price increases (slide 18).

DBC recorded a record revenue last year. The M line brand was becoming increasingly well-known, both in the sports world and in the translation to the customer. Using modern marketing techniques, the campaigns generated a lot of positive feedback. In addition, new B2B customers had been added, both in the Netherlands and abroad, partly as a result of innovations in the M line Iconic line, the new box spring collection, and the introduction of the fully sustainable Green Motion (slide 19).

The launch of the Leazzzy subscription model in the second half of 2021 were not gone unnoticed. During the first phase, it became apparent that the customers preferred the relationship and the services to the financing model. Leazzzy would now enter the next phase, during which new products and a large number of services would be added to the concept (slide 20).

Sustainability was considered to be one of the Company's essential responsibilities. BBH has joined the UN Global Compact Network, and the organisation is committed to contributing to the SDGs adopted for 2030. These targets had been integrated into BBH's 2025 sustainability strategy. Three areas of attention had been defined: the promise to improve the quality of sleep, taking care of the people involved in the value chain by offering responsible products (slide 21).

BBH explored on which specific topics BBH could make a difference to society and the planet. Subsequently, the materiality and relevance of the various topics were determined in consultation with stakeholders, including quality of sleep, sustainable business operations, responsibility for those involved within and outside the organisation, and the marketing of more sustainable products. This contributed to healthier life, promoted well-being, and supports gender equality. In addition, BBH promoted inclusive and sustainable economic growth, full and productive employment, and decent work for all stakeholders, and contributed, in cooperation with its suppliers, to more sustainable consumption and production patterns (slide 22).

A concrete interpretation of the above on the "Promise" pillar was visible in the roll-out of the Beter Slapen ID, whereby data-driven knowledge could be used to offer personal sleep advice; the switch from grey to green energy; the increase in the number of electric vehicles; the pilot to reduce the use of fossil fuels by adjusting the fleet to electric-powered transport; and the support of the Princess Maxima Centre for Children's Oncology. As regards the "People" pillar, the new website [Werkenbijbeterbed.nl](https://werkenbijbeterbed.nl) was introduced; the use of social media and recruitment sites had been optimised; health and safety coordination had been centralised; more uniformity would be introduced in processes and communications; and the number of suppliers that signed the Code of Conduct had been expanded further. With respect to the "Products" pillar, the M line Green Motion was introduced; a workshop was organised in collaboration with TU Delft to better understand the concept of circular product design; and broader manufacturer responsibility was introduced with other leading market parties to reduce 20,000 tonnes of mattress waste a year, with the aim to collect and recycle 75% of the mattresses by 2028 (slide 23).

Concluding his presentation, John Kruijssen summarised that 'Beter Slapen, Beter Leven' was the new positioning on which BBH was working hard to act as market leader. Important ingredients were the Beter Slapen ID for independent advice through data matching and partnerships with sleep scientists who, next to good cooperation, also constituted an endorsement for the Company.

In September, for example, a sleep event would be organised in a holiday park, attended by an American professor who is an authority on sleep, aimed at increasing Beter Bed's position as the leader in the sleep domain. This positioning was further supported by the 'Peter de Beterbedweter' media campaign, a video of which was shown (slide 24).

Gabrielle Reijnen continued the presentation by giving an explanation of the financial statements.

Gabrielle Reijnen was proud to announce that, despite the 10-week closure of the stores and an almost identical period of time of having been compromised by the COVID measures, the Company managed to match sales in 2021 and to achieve a compound annual growth rate of 12.5% a year for both sales and order intake in the period 2019-2021. Despite the challenges posed by the supply chain and inflation, the gross margin remained virtually the same at 55.1%. In 2021, BBH's EBIT was €14.8M, with sales at €214.2M, an increase of 3.3% compared with 2020. The increase was due, among other things, to growth in the LFL order intake (50.4%) and higher sales at New Business, while sales in the Benelux countries remained virtually the same at €200 million. The COVID measures and the omni-channel nature caused online sales to rise by more than 55% (slide 27).

The Company started 2021 with a strong order book. Although stores were closed, the delivery of the goods continued in the first quarter. In the same period online sales grew explosively and Belgium, where the stores did not close, put in a good performance. Like DBC, Beter Bed showed a strong second quarter, as shopping by appointment was possible during that period. This strong performance continued in the third and fourth quarters, partly thanks to Black Friday and despite the lockdown in mid-December. With its wholesale activities DBC's sales grew from €9.2M in 2020 to €14.2M in 2021 (slide 28).

The strong order book of €23.0M with which the Company started 2021 was converted into sales in Q1. As a result of the closing of the stores, the order book closed lower in Q1. This gap was somewhat made good halfway through the year, as shopping by appointment became possible in Q2. Performance in Q3 was strong and resulted in a record order book of €25.3M at the end of Q4, despite the lockdown. This represented a 10.1% increase compared with 2020 (slide 29).

Slide 30 showed the development of the online and offline order intake during the COVID-19 pandemic and its effect during the period of full lockdown or shopping by appointment. The graphic representation, which showed that online had grown during lockdown and offline when stores were open, showed how important it is for the Company to have an omni-channel character.

The transition from offline to online had accelerated during the COVID pandemic, while there was also a stronger focus on home retail investments during that same period. In 2021 online sales rose from €32.1M to €50.1M. As a result, Beter Bed obtained a 23.4% online channel share. The Company realised that this percentage would not be matched in 2022, but that online did reach a higher level (slide 31).

While gross profit increased materially from €114.4M in 2020 to €118.1M in 2021, it remained virtually the same percentagewise. In the past year the focus shifted to margin-rich products. In addition, the Company focused on re-engineering products and on improving and renewing the product range. Through pre-ordering BBH managed to maintain the value-for-money proposition for customers and to remain competitive going forward. Operating costs rose from €100.5M in 2020 to €104.2M in 2021 due to a change in the share of online sales versus offline. In particular online marketing and logistics costs were up. During the lockdown, certain costs continued to be incurred offline that were not offset by sales (slides 32 + 33).

The EBIT in 2021 was €14.8M (6.9% of sales) vs. €13.9M in 2020. EBITDA rose from €32.0M in 2020 to €33.2M in 2021 (15.5% of sales). This increase was caused by higher sales, the sale of three stores and the increase in operating costs (slide 34).

Net profit rose from €9.3M in 2020 to €13.9M in 2021. Adjusted for the €1.3M book profit due to the sale of the Swedish activities, the net result was €12.6M. Financing costs fell in 2021, due to renewed financing, the usual commission paid for bank charges and IFRS16 interest and creating a currency translation reserve as a result of the sale of the Swedish activities. Taxes, consisting of regular corporate income tax and a tax gain from the sale of the Swedish activities, were relatively lower in 2021 (slide 35).

Capex rose from €3.3M in 2020 to €4.2M in 2021. Due to the uncertainty brought about by the pandemic and the closure of stores, the previously announced capex had been adjusted. Investments included the optimisation of the IT infrastructure, the opening of the Experience store in Groningen, and the e-DC in Veghel. At year-end 2021 net fixed assets amounted to €11.9M compared with €16.1M at year-end 2020, due to the sale of the Swedish activities, the sale of the three stores, and depreciation versus capex (slide 36).

Free cash flow in 2021 was €16.2M, compared with €25.2M in 2020. This difference was caused by a lower operating cash flow due to the composition of sales offline and online, effect on net working capital as a result of a substantial improvement of this that started in 2020, payment of taxes in 2021, a slight decrease in interest, higher capex, lease payments that remained virtually the same, the sale and leaseback of three stores, and the sale of the Swedish activities. Net working capital improved in 2021, despite an increase in stock (slide 37).

The net cash position increased from a net debt position of -€7.9M in 2019 and a net cash position of €19.3M in 2020, to a net cash position of €38.0M at year-end 2021. In July 2021 a new three-year €15M financing facility was concluded with the bank, with an option to extend this for another two years. Nothing has yet been drawn under this facility, so that the cash headroom amounted to €53.0M at the end of 2021. BBH did not avail itself of the government schemes such as NOW and TVL during COVID, and it had no outstanding obligations with the Tax and Customs Administration (slide 38).

Since 2019, the focus was on improving the balance sheet by selling assets in German-speaking countries and Sweden and improving the cash flow. This resulted in an improved balance sheet and allowed BBH to reduce the debt and convert it into a net cash position at the end of 2021. As a token of trust in the company BBH was given the opportunity to adjust the dividend policy and propose a dividend to the shareholders (see agenda item 8) (slide 39).

The following questions were asked:

Mr A. Jorna, on behalf of the VEB, asked the following questions, which were answered by John Kruijssen:

- a. Was the introduction of the Leazzzy subscription model successful?
BBH was satisfied with the way Leazzzy developed. The Company had carefully started to roll out the concept. The first phase, during which the aim was to crystallise the type of customers and develop the IT design of the concept, had been achieved. Initially, there were customers who did not meet the criteria. In the end, a customer base would be built that prefers the services and the flexibility of the concept over the financing. The concept would now enter the next phase, in which products and services would be added, after which marketing would be intensified.
- b. Nothing was said about DBC's transition with DeRucci to Asia. What was the current status?
The negotiations with DeRucci were completed during the first COVID period, after which the collaboration agreement was finalised virtually. The first shipments were well received. Due to COVID, however, it was almost impossible to build up a commercial relationship with a company in China virtually. That was why it was decided, in mutual consultation, that the deal exists, but that the relationship will not be continued until it is possible to normally travel to China once again.
- c. Now that the stores were reopened, to what extent were online sales weakening compared to retail sales, and would the 25% target be achieved by 2025?
The pace with which the lockdown helped the development of online could not be maintained. However, this was not considered in the planning of the strategy. Now that the Company is going back to regular development, acceleration will decrease, but the ingredients that produce online sales are positive and there is no reason to assume that the 25% share will not be achieved.
- d. Magical Honour Limited (MHL) sold its shares to Navitas, which, as majority shareholder, now held an even larger stake (17%) in BBH. What perspective did this have, and what were the reasons for Navitas to acquire a larger stake in BBH?
MHL is the vehicle Healthcare used to acquire Matratzen Concord (MC). Part of the deal was that, in addition to the purchase of MC, MHL could also acquire shares in BBH. Healthcare's owner stated that it wished to sell its shares to finance a new round of financing for MC, which suffered from the COVID pandemic as well. MHL informed BBH that it wanted to sell the shares as a block; these were ultimately purchased by Navitas. The considerations for the acquisition were up to Navitas.

Mr R. Snoeker complimented BBH on the development and results of the organisation in recent years. He had the following questions and suggestions:

- a. Mr Snoeker qualified the objective of doubling sales and tripling earnings per share as ambitious and wondered whether it could be achieved in the current climate and the uncertain future, which he compared with the 1930s. *John Kruijssen replied that the strategy was formulated with the aim to fulfil it. BBH showed that, despite the lockdown and other restrictions caused by COVID, the Company outperformed the previous year. BBH also started Q1 on a good footing. For the time being, the strategy and the 2025 target would be maintained. The after-effects of COVID, the war in Ukraine and inflation certainly had an impact on the organisation. Although various scenarios were considered daily, John Kruijssen had faith in the organisation's resilience and flexibility to weather any incidents and disruptions that might occur. For reasons of competition it was not always possible to go public about this. The chair added that in all Supervisory Board meetings attention was paid to current developments.*
- b. The annual report included segmented figures for each country. He would prefer to see the various avenues of growth expressed in figures. Could the Management Board provide more information about this, or could this be considered as a suggestion for next year's annual report?
The chair stated that he could not respond substantively to this question at this moment, but would include it as a suggestion.

Given the large overlap in information provided by the auditor at the AGM and what was stated in the annual report, Mr Snoeker suggested making the auditor's report more concise in the future, leaving more time to ask questions.

3. Report of the Supervisory Board for the 2021 financial year

The chair referred to pp. 74 - 79 of the Annual Report for the Supervisory Board's report.

The Supervisory Board supervised and assisted the Management Board on behalf and for the benefit of the stakeholders. The Supervisory Board was responsible for ensuring the continuity of the management and the organisation.

Last year the Supervisory Board consisted of Bart Karis, Pieter Boone, Alain Beyens, Barbara van Hussen and Maaïke Schipperheijn. Pieter Boone resigned as of 1 January 2022. As of the same date Barbara van Hussen was appointed vice chair.

In 2021, the Supervisory Board was involved in the developments of BBH and its subsidiaries. During the year under review the chair had been in frequent contact with the Management Board in preparation of the Supervisory Board meetings. In 2021, the Supervisory Board met with the Management Board 11 times, both in person and virtually. The Supervisory Board was regularly informed by the Management Board, both orally and in writing, timely and properly, about the operational results of the various formulas, the Company's finances, the structuring of the strategy, the Company's capitalisation, and the development of the ESG strategy, among other things.

On 16 December 2021, an EGM was held to discuss the reappointment of John Kruijssen. This agenda item was adopted with 99.86% of the votes cast.

The Supervisory Board met with the external auditor on the 2021 results, the audit findings, the half-year results, the results for the 2021 financial year (until the end of November), and the findings with regard to the internal audit systems.

During closed meetings, the functioning of the Management Board and the implementation of the remuneration policy for the Management Board were discussed, among other things. This was coordinated in individual talks. Following an explanation by the audit committee (AC), the Supervisory Board also discussed the risk inventory with the Management Board.

In the 2021 financial year the AC consisted of Maaïke Schipperheijn (chair), Alain Beyens, and Pieter Boone. After Pieter Boone resigned on 1 January 2022, Barbara van Hussen took his place. The AC met three times in the past financial year. On one occasion, the external auditor was consulted, in the absence of the Management Board. The AC discussed the financial statements, the management report, the half-year figures, and the management letter with the Management Board and the external auditor. In addition, attention was given to the 2021 audit plan, the follow-up of previous recommendations, tax matters, liquidity, financing, and the risk management and control system. Meetings were also held between the Internal Auditor and the chair of the AC.

In 2021, the Remuneration Committee (RC) consisted of Pieter Boone (chair), Bart Karis, and Barbara van Hussen. As of 1 January 2022, the RC consisted of Barbara van Hussen (chair), Bart Karis, and Maaïke Schipperheijn. The committee met three times in 2021. Under the direction of the RC, the Supervisory Board devised an incentive, in the interest of the Company and thus the shareholders, aimed at extending John Kruijssen's term as CEO, for which purpose an EGM was held on 16 December 2021. In addition, the RC discussed the performance and remuneration of the top twenty managers of the organisation with the Management Board. Reference was also made to the Remuneration Report on pp. 80 (et seq.) of the annual report.

In accordance with Article 2.3.2 of the Dutch Corporate Governance Code, a separate Selection and Appointment Committee was set up in 2020. In 2021, this committee consisted of Bart Karis (chair), Pieter Boone, and Barbara van Hussen. The committee met once. As of 1 January 2022, the committee consisted of Bart Karis (chair), Barbara van Hussen, and Maaïke Schipperheijn.

There were no changes in the composition of the Supervisory Board this year. The reappointments of Bart Karis and Alain Beyens would be on the agenda for the 2023 AGM.

With the appointments of Barbara van Hussen and Maaïke Schipperheijn as supervisory directors in 2020, the Supervisory Board met the requirements of gender balance laid down in the diversity policy of 3 November 2020. Following Pieter Boone's resignation, the Supervisory Board had a 50% female representation with effect from 1 January 2022. By appointing Gabriëlle Reijnen as CFO, the Management Board also met the requirements.

The Supervisory Board was aware of the broad interests the Company represented and of its responsibility towards all stakeholders involved in the Company.

In 2021, the 'Beter Slapen, Beter Leven' strategy was further shaped and continued in a renewed sustainability strategy. In addition, COVID-19 posed various challenges in 2021. Despite a new lockdown and the associated restrictive measures, the Company once again managed to deliver excellent results. As a result, it was decided to distribute dividend again (see agenda item 8). The Supervisory Board was grateful to everyone within the Beter Bed Holding Group for their passion, energy and contribution to achieving the goals set.

In response to Mr A. Jorna's question on behalf of the VEB whether Mr Boone would be succeeded, the chair stated that the current complement would be maintained.

4. Remuneration report for the 2021 financial year (advisory vote)

Barbara van Hussen, chair of the RC, took the floor. Reference was made to the remuneration report included in the annual report (pages 80 through 88).

In accordance with the remuneration policy adopted by the AGM in 2020, part of the remuneration was variable and depended on the long-term and short-term performance of the individual members of the Management Board.

In 2021, the remuneration of the Management Board consisted of a basic salary, short-term variable remuneration, a pension scheme, a long-term participation scheme in the form of a PSU plan, a one-off PSU Grant for Mr Kruijssen as of 16/12/2021 in connection with his reappointment, and other employment conditions.

Due to COVID-19, 2021 was yet another challenging year. During the pandemic, the Management Board showed decisive and proactive leadership to safeguard the continuity of the organisation, so that the financial impact was limited. In these challenging market conditions, BBH launched a new business strategy, refinanced existing bank facilities, repaid shareholder loans, sold the Swedish business, and introduced a new sustainability strategy. In view of these accomplishments, the Management Board was awarded the remuneration set out in the remuneration report. The chair stated that the performance criteria for short-term variable remuneration were all exceeded (see p. 83 of the annual report).

At the EGM on 16 December 2021 it was decided to extend Mr John Kruijssen's mandate by four years. The Supervisory Board exercised its discretionary power to temporarily deviate from the remuneration policy adopted in 2020 and award one-off performance shares to Mr Kruijssen.

The remuneration of the Supervisory Board in 2021 consisted of a basic remuneration plus an additional fee for the chair.

The remuneration report was subject to an advisory vote.

The following questions were asked:

Mr A. Jorna, on behalf of the VEB, took issue with the maximum short-term remuneration that was earned on the basis of targets that were not disclosed to the shareholders. He held that the shareholders were unable to assess whether these targets were well-considered. He shared the VEB's view that targets such as profit level and increase in sales were not competition-sensitive. Considering the financial performance, he believed that if the targets had been met in all respects, the bar was probably not set high enough. He wondered whether the short-term remuneration targets were ambitious enough and whether the targets for 2022 would indeed be more ambitious and challenging?

Barbara van Hussen stated that the criteria were not disclosed for competition reasons. The Supervisory Board maintained the opinion that, in light of the circumstances, the criteria met were properly weighed and that the bar with regard to the expectations of the individual directors was set high. The Supervisory Board concluded from this that the performance was extremely good.

The VEB disagreed with linking Mr Kruijssen's appointment with awarding him a retention bonus, as presented to the shareholders at the EGM on 16 December 2021, without any further guiding targets having been announced to the shareholders in this respect. Mr Jorna asked why this was done in this manner. A discussion followed. Barbara van Hussen stated that this was also discussed at the EGM on 16 December and that this was adequately answered during that meeting. She repeated the criteria and considerations expressed by the Supervisory Board at the EGM of 16 December. The VEB decided to vote against this item, stating as reason the opaque remuneration policy and the overly broad application of the discretionary power with regard to the appointment of Mr Kruijssen.

The agenda item was put to the (advisory) vote.

Of the 15,697,656 shares represented (including the proxy votes cast by Michel van Agt, civil-law notary at Loyens & Loeff, and the votes against cast by the VEB), 12,470,831 votes are cast in favour, 1,070,430 votes against, with 2,156,395 abstentions. The chair therefore established that the resolution to adopt the 2021 remuneration report had been adopted by 92.10% of the votes.

5. Presentation of the audit of the 2021 financial statements

The Company released PwC from its duty of confidentiality for the benefit of the meeting. Independent auditors furthermore had an obligation to rectify.

The chair gave the floor to Paulus Wijffels, partner at PwC, who explained the work performed by PwC and the audit opinion. On 10 March 2022, PwC issued an unqualified audit opinion on the 2021 financial statements. The required explanatory notes are included in the annual report. The annual report was consistent with the financial statements. In the past year, special attention was paid to fraud, continuity and climate risks (slide 51).

The audit activities were selected on the basis of estimated risks for the financial statements as a whole, taking into account the internal controls already implemented by the Company. At the start of the audit, the audit plan including the risk areas and areas of attention, including fraud, was discussed with the AC (slide 52).

The materiality for the financial statements as a whole was set at €2,142,000, based on 1% of sales, taking account of both quantitative and qualitative factors. The auditor believed that on the basis of the analysis of the shared information needs of the users of the financial statements, sales constituted an important indicator of the Company's financial performance. The materiality of components included in the audit procedures was set at a lower level. Because of the high degree of automation, the audit team not only included tax specialists but IT specialists as well. In addition, experts were involved in the assessment of the liquidity forecasts for the financial position (slide 53).

The main focus of the 2021 audit was the fraud risk with regard to revenue. Because sales were a major criterion and because of the strong 2021 results, despite the closure of the brick-and-mortar stores due to COVID, there was a risk with regard to the accuracy of sales due to cut-off and the existence of sales. In addition, the design of internal controls was evaluated to ensure an accurate processing of the proceeds transactions, as well as the existence and operation of the main internal controls implemented by management. The results of testing the controls and analytical procedures formed the basis for the nature and scope of additional detailed tests. In addition, data-based checks were performed on credit notes after year-end in order to obtain comfort for an appropriate revenue accounting at the end of the financial year, and manual entries were checked in detail. These audits did not lead to any material findings (slide 54).

A detailed reconciliation was made between the financial data in the annual report and the explanatory notes to the financial statements, as well as the testing activities and internal management reports; the observations were shared with the Management Board. The description of the risk management and control system was not at odds with the results of the audit. The main risks that PwC considered relevant for BBH pursuant to the financial statements were stated in the risk section (slide 55).

Returning to his previous suggestion, Mr R Snoeker complimented the auditor for his brief explanation.

Mr A. Jorna, on behalf of the VEB, asked the following questions, which were answered by the auditor:

- a. To what extent did the AC assess the audit plan and did the committee recommend to pay special attention to a specific part of the audit approach?
The AC did not ask for additional audit activities, other than the audit plan.
- b. The fraud section was becoming a mature item. The auditor was asked to select an approach for company-specific risks, of which only revenue accounting was mentioned. How did the auditor assess and verify the accuracy, completeness and timeliness of the intercompany deliveries from, for example, DBC?
Intercompany transactions were checked in detail and also whether they were correctly eliminated in the consolidation of the Company.

6. Adoption of the financial statements for the 2021 financial year

Reference was made to the financial statements included in the annual report (from page 92 onwards).

In accordance with Article 32(2) of the Articles of Association, the AGM adopted the financial statements.

There were no questions about this agenda item.

The chair put the proposal to the vote. Michel van Agt, civil-law notary at Loyens & Loeff, confirmed that, based on the proxy votes cast in advance and the votes cast at the meeting, the resolution to adopt the 2021 financial statements was adopted with a majority (99.95%) (15,683,950 votes in favour, 7,853 votes against and 5,853 abstentions).

After the vote was completed, Maaik Schipperheijn addressed Paulus Wijffels. Following the appointment of the new auditor EY under agenda item 11, this was Paulus' last performance as auditor for BBH. On behalf of the Supervisory Board and the Management Board, she thanked Paulus Wijffels and his team for their constructive and positive input in the last few years.

7. Discussion of the amended dividend policy

According to best practice provision 4.1.3 of the Corporate Governance Code, the Company's dividend policy was required to be dealt with annually as a separate agenda item (see item 7 of the explanatory notes to the agenda).

In connection with BBH's strengthened financial position, the financial performance in 2021, and in order to align the dividend policy with the Company's sustainable growth ambition, the Management Board, with the consent of the Supervisory Board, decided on 10 March 2022 to amend the dividend policy. The amended policy was aimed at maximising shareholder value while maintaining a healthy capital position and included two main elements:

- Determination of the dividend was based on the Company's estimate of its cash flow position and the profit it had to reserve to implement its medium to long-term strategic plans, while maintaining a solvency ratio of at least 30% and a net interest-bearing debt/EBITDA ratio below 2.0x.
- The Company's policy was aimed at a dividend distribution of at least 30% of the normalised net profit from continued operations, provided that the financial conditions were stable.

For the definitions of solvency, net interest bearing debt/EBITDA and normalised net profit in the context of the dividend policy, reference was made to the agenda for the 2022 AGM and the explanatory notes to the agenda.

Mr A. Jorna, on behalf of the VEB, asked whether the requirement for dividend would be waived this year if solvency had to amount to 30%? According to his calculation, it stood at approximately 22%.

Gabrielle Reijnen explained that the Company's definition of solvency in the context of the dividend policy was stated in the explanatory notes to the agenda for the 2022 AGM. Solvency was defined as equity divided by total assets adjusted for lease liabilities. In 2021 it exceeded 30%.

8. Dividend proposal for 2021

Based on the previous agenda item, BBH proposed to distribute a dividend of €0.15 in cash on each ordinary share. This proposal reflected the Company's ambition to allow the dividend per share to grow sustainably. The ex-dividend date was 13 May 2022, the record date 16 May 2022, and the dividend would be paid on 23 May 2022.

The chair put the proposal to the vote. Combined with the proxy votes cast by Michel van Agt, 15,689,626 votes were cast in favour, 5,000 votes against, with 3,030 abstentions; the chair established that the resolution to declare the dividend was adopted by 99.97% of the votes.

The declaration of dividend would be announced after trading by means of a press release.

9. Release from liability of the members of the Management Board for the management conducted in 2021

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

There were no questions or comments on this agenda item, whereupon the chair put the proposal to the vote. Including the proxy votes, the chair concluded that 15,684,086 votes are cast in favour, 7,867 votes against, and that there were 5,703 abstentions. This meant that the resolution to grant the Management Board discharge from liability was adopted by 99.95% of the votes.

10. Release from liability of the members of the Supervisory Board for the supervision conducted in 2021

This agenda item was an annually recurring agenda item.

There were no questions on this item, whereupon the chair put the proposal to the vote. Including the proxy votes, 15,685,759 votes were cast in favour, 7,867 votes against, with 4,030 abstentions. The chair established that the resolution with regard to this agenda item was adopted by 99.95% of the votes.

11. Appointment of the external auditor

This was an annually recurring agenda item. Reference was made to item 11 of the explanatory notes to the agenda.

Maaïke Schipperheijn, chair of the AC, explained that, in keeping with the new strategy, the AC had decided to start a selection procedure for a new auditor in the second half of 2021. Based on this procedure, the AC recommended EY as a preferred candidate, which recommendation was accepted by the Supervisory Board. EY was considered an independent auditor. The Supervisory Board therefore proposed to the AGM to appoint EY as auditor of the Company for a period of two years as of 1 January 2022. The audit would be carried out under the responsibility of Ms Ingwha Hengefeld, partner at EY Rotterdam. Ms Hengefeld introduced herself.

Mr C. van Riet asked whether the change of auditor takes place because this was required by law or for another reason?

Maaïke Schipperheijn explained that an auditor might stay on for ten years, with a partner having to be changed after five years. Due to the implementation of the new strategy, it was decided to change auditors already at this time.

Mr Snoeker expressed the hope that the auditor's explanation given by Ms Hengefeld next year would be as brief as that of Mr Wijffels.

The chair put the proposal to the vote. Including the proxy votes cast, 15,684,787 votes were cast in favour, 7,654 votes against, with 5,215 abstentions, so that this agenda item was adopted by 99.95% of the votes.

12. Authorisation of the Management Board to have the Company acquire its own share

Further to Article 13 of the Articles of Association, the meeting was asked to authorise the Management Board to purchase shares in the Company for up to a maximum of 10% of the number of outstanding shares. The purchase price might not be more than 10% higher than the average closing price on the five trading days prior to the date of acquisition. This authorisation was requested for a period of 18 months after the date of this AGM. If authorisation was granted, the current authorisation would no longer be used.

There were no questions on this item. The chair put the proposal to the vote. Including the proxy votes, 15,687,772 votes were cast in favour, 5,854 votes against, with 4,030 abstentions. The chair established that the resolution to authorise the Management Board to acquire/purchase shares in the company for up to a maximum of 10% of the number of outstanding shares was adopted by 99.96% of the votes.

13. 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

Based on Article 10 of the Articles of Association, the shareholders were asked to authorise the issue of new shares or to grant rights to subscribe for shares for 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 implementation of BBH's performance stock unit plan. This authorisation was requested for a period of 18 months from the date of this AGM and was subject to the approval of the Supervisory Board. If authorisation was granted, the current authorisation would no longer be used.

There were no questions on this item, whereupon the chair put the proposal to the vote. Including the proxy voting votes, the vote was 15,578,667 in favour, 111,936 against, with 7.053 abstentions, so that the resolution for this agenda item was adopted by 99.29% of the votes.

14. Authorisation of the Management Board to restrict or exclude pre-emptive rights in connection with agenda item 13

In connection with agenda item 13, the request was made to authorise the restriction or exclusion of pre-emptive rights as provided in Article 11 of the Articles of Association. This authorisation was requested for a period of 18 months from the date of this AGM and was subject to the approval of the Supervisory Board. If authorisation was granted, the current authorisation would no longer be used.

There were no questions on this item, whereupon the chair put the proposal to the vote. Mr C. van Riet voted against with 225 of the votes. Including the proxy votes cast by Michel van Agt, there were 15,583,592 votes in favour, 9.065 against, with 104,999 abstentions. The chair established that the resolution was adopted by 99.94% of the votes.

15. Authorisation of the Management Board to cancel acquired shares

With the approval of the Supervisory Board, the Management Board proposed, on the basis of Article 15 of the Articles of Association, to reduce the issued capital by cancelling shares in its own capital, which were acquired pursuant to the authorisation granted under agenda item 12. The number of shares to be cancelled pursuant to this resolution would be determined by the Management Board, with a maximum of 10% of the number of outstanding shares, equal to the maximum mentioned in item 13 of the agenda. The cancellation(s) would take place on the dates to be determined by the Management Board, with due observance of the mandatory 2-months opposition period.

There were no questions on this item. The chair put the proposal to the vote. A total of 15,683,304 votes were cast in favour, 8,932 votes against, with 5,620 abstentions. The chair established that the resolution to cancel the repurchased shares was adopted by 99.94% of the votes.

16. Announcements

There were no announcements.

17. Any other business

Mr C. van Riet asked the following questions:

- a. Did he understand correctly that 20% of people are rejected in the subscription model because of the BKR registration and that the bricks-and-mortar stores with an area of 1,500 square meters would be reduced in size?

John Kruijssen stated that he had not mentioned a percentage in his presentation. As was expected, many people dropped out during the first two weeks because they did not meet the criteria, but this stabilised afterwards. To his second question, John Kruijssen responded that the current stores usually have a surface area ranging between 800 and 1,200 m², with a number of stores having an area of 1,500 m². In the next few years, a number of stores located on boulevards would be closed. At four strategic locations, stores with an area of 1,500 m² would be opened, of which the Experience store in Groningen is an example, which would serve as anchor point for the region. The stores on the boulevards would be repurposed in the style of the Experience store. City stores of up to 250 m² would be located at high-traffic locations; the store in Leidschenhage is a test location. As a result of all these innovations, the organisation would ultimately move to having more locations, but with a smaller surface on average.

- b. All recycling centres include collection points for used mattresses. How would the costs be divided? *Jaap Westland, responsible for Sustainability & Innovation, clarified that consumers were charged a fee when buying a mattress. This fee was deposited with Stichting Matrassen Recycling Nederland (MRN), of which BBH is a board member. From this fee 15% of the costs of the collectors (including municipalities) was presently reimbursed. The foundation expected to reimburse 100% of these costs by 2028. After 2028, this would be 100%. The total fee was set at €10 for each mattress. This amount was not yet fully paid by the consumer, but over the next few years this would be gradually increased.*

Mr A. Jorna, on behalf of the VEB, asked the following questions, which were answered by John Kruijssen:

- a. Would the proposed retail plan also be introduced in Belgium?
In principle, the Beter Bed concept would be rolled out to all stores, with the exception of the city concept still being tested in Leidschenhage and which had not yet been envisaged for Belgium.
- b. Wasn't it true that there were too few stores in Belgium and wasn't the problem comparable to Sweden?
It was true that there was not yet a fully-fledged network in Belgium, but Beter Bed was working hard to change this.

18. Closing

On behalf of the Supervisory Board and the Management Board, the chair thanked all those present for attending the meeting and their constructive contribution to this first in-person shareholders' meeting since restrictive measures were imposed in connection with COVID-19. He hoped to be able to welcome all shareholders again at an in-person meeting next year. The chair closed the meeting.

List of resolutions

- Adoption of the 2021 remuneration report (advisory resolution).
- Adoption of the financial statements for the 2021 financial year approved by the Supervisory Board.
- Adoption of the dividend proposal.
- 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.
- Appointment of EY as the external auditor under the responsibility of Mrs drs. I. Henghefeld RA (partner).
- Authorisation of the Management Board to have the Company acquire 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 BBH'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