



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

Held on Wednesday, 10 May 2023 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 (vice chair)
Mrs M.C. Schipperheijn
Mr A. Beyens

Management Board:

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

1. Opening

The chair opens the meeting and welcomes the shareholders and observers who attend the meeting. Attending in addition to the chair are Barbara van Hussen, Maaïke Schipperheijn and Alain Beyens on behalf of the Supervisory Board (SB), and John Kruijssen and Gabriëlle Reijnen on behalf of the Management Board (MB) of Beter Bed Holding N.V. (BBH). Also in attendance are Michel van Agt, civil-law notary with Loyens & Loeff, who casts the proxy votes; Jaap Westland, GLT member responsible for Sustainability & Innovation; the executive committee of BBH's Works Council, and Inghwa Hengefeld, auditor. Bas Dekker, legal counsel at BBH, keeps the minutes in his capacity as secretary. Gusta de Jong, executive assistant at BBH, acts as counting assistant.

Of the total 27,538,426 issued shares, 15,319,172 (55.63%) voting shares are represented at the meeting. All relevant requirements for the Annual General Meeting (AGM) have been met, so that legally valid resolutions may be passed.

The minutes of the AGM of 11 May 2022 were posted on the Company's corporate website within three months of the end of that meeting. No comments were received on the minutes, whereupon they are adopted and signed by the chair and the secretary.

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

An audio recording will be made of the meeting.

2. Report of the Management Board for the 2022 financial year

John Kruijssen (CEO), Jaap Westland (GLT member, responsible for Sustainability and Innovation), and Gabriëlle Reijnen (CFO) give a presentation of the key developments in the 2022 financial year. These include the management report, progress on the sustainability strategy, and the financial results in the past year. The presentation is also published on the corporate website.

John Kruijssen starts his presentation by looking back at 2022, in which year BBH was confronted with a two-week lockdown and the consequences of the war in Ukraine. Despite the turbulent year, BBH achieved solid results. John Kruijssen mentions a number of highlights, which mark the implementation of the strategic agenda. This is illustrated by a video showing the activities in the past year (slides 7+8). The strategy is based on the pillars of growth 'Brick & Mortar', 'Online' and 'New Business', with sustainability as key enabler, as explained in the next few slides (slide 9). To further strengthen the strategy for brick-and-mortar shops, a second Experience Store was opened in Eindhoven in 2022, in addition to the one in Groningen. These Experience Stores showcase the latest innovations, such as Better Sleep ID, the Day-and-Night experience zone, the interactive pillow wall, Karlsson's rebranding, interactive pedestals, and the Emma Motion smart mattress (slide 10). Regarding the pillar of growth 'Online', BBH is on track to meet its 2025 growth targets. Although traffic slowed after two years of COVID, the online team nevertheless managed to generate activities, as a result of which the conversion rate and average receipt amount increased. The online team has been nominated several times for its digital-first culture of experimentation, and has won several awards in the digital marketing domain. Furthermore, the Company boasts a team of data analysts to model the data lake. The online NPS has grown with double digits and search engine optimisation has been applied, and efficiencies have been implemented in the E-DC in Veghel (slide 11). Steps have also been taken in respect of the supply chain. These include a new DC in Uden, a tender for a new warehouse management system, operational improvements in the eDC in Veghel, and exploring the possibilities of robotisation and mechanisation. As regards Category Management, the new Karlsson collection was launched last year and Beter Bed launched a collection of self-developed duvet covers, among other things. It was also again possible to organise a physical suppliers day to strengthen existing partnerships with suppliers (slide 12). The pillar of growth 'New Business', which includes DBC's wholesale operations, has developed well, although DBC struggled during the COVID period. While on the one hand sales of Mline at the dealers were disappointing compared with last year, and B2B commitments were suspended, intercompany sales and thus Mline's turnover at BB increased. Last year, the Simmons brand was added to DBC's product portfolio. In addition, online websites and international platforms, such as Amazon, experience growth as well (slide 13). In 2022 many efforts were made to expand the *Sleep Better, Live Better* strategy: raising awareness of sleep as the third pillar of health; creating a 'brand of choice'; and becoming an 'employer of choice', which terms are explained in the next slides (slide 14). Activities to put thought leadership on sleep on the map include rolling out the Better Sleep ID in the store network; recruiting sleep experts; actively posting sleep facts; the sleep event with Matthew Walker; partnerships with media; and presence in films and at health festivals. The new TV commercial linked to the new brand campaign is shown (slides 15 and 16). In order to become the brand of choice for retail and wholesale and to build a strong brand portfolio, A-brands such as Tempur, Emma and Simmons have been included in the product range, in addition to in-house developed, formula-specific brand labels such as BBright, Karlsson and Mline (slide 17). Finally, many initiatives have been taken to become an 'employer of choice'. These contribute to greater job satisfaction as well as a safer working environment. Together with the SB and the GLT, the MB has conducted and is further anticipating a talent check on tomorrow's leaders (slide 18).

The presentation is continued by Jaap Westland, who explains the sustainability developments at BBH. In 2021 the sustainability strategy was presented, which takes its cue from the *Sleep Better, Live Better* strategy. Three objectives were defined in this regard:

1. The pledge to customers of offering a good and sustainable night's sleep;
2. Taking care of all people involved in the chain; and
3. Reducing the organisation's environmental impact by offering more sustainable products (slide 20).

A number of KPIs were adopted in this strategy. This led to the rolling out of the Better Sleep ID technology to 40 Beter Bed stores in 2022, with 58% of visitors using the system. In BBH's own operations, a 64% reduction of CO₂ was achieved by switching to green electricity, electrification of the vehicle fleet and increased sustainability of the offices and stores (e.g. LED lighting), among other things. The focus was also on controlling human rights in the supply chain with all suppliers signing the Code of Conduct. The product portfolio has become about 16% more sustainable. A distinction is made as regards products between circular, modular, natural and recycled materials.

This year's challenge is to continue implementing the sustainability strategy and anticipating the implementation of the CSRD, the European Corporate Sustainability Reporting Directive, which will take place in close consultation with the auditor. The European Sustainability Reporting Standards (ESRS) lay down the content and manner of reporting (slide 21+22). Jaap Westland goes on to explain how the ESRS standards work (slide 23 and 24).

In terms of planning, BBH is currently examining the dual materiality of a number of specific standards. Once this examination is completed, the applicable standards will be translated into a blueprint for next year's annual report (slide 25). Attention is also given to the EU Taxonomy regulations, which serve as guidelines for sustainable investments. Jaap Westland goes on to explain how the regulations concerning EU Taxonomy work and shows the impact of these regulations on the organisation (slide 26). The Better Sleep ID is expected to be rolled out to all BB stores in 2023. The stores will also be modernised, which should yield expected savings in energy consumption of between 30% and 50% for each store. In addition, the car lease scheme will be amended in the sense that henceforth only electric cars may be leased, as a first step towards reducing emissions from company cars. The 'People' objective focuses on human rights in the supply chain. When suppliers have signed the Code of Conduct, their compliance will be monitored, for which BBH has joined the network of BSCI, an organisation that provides audits. BBH is also carrying out an inventory to gain insight in the activities and suppliers in the chain. This is in anticipation of the Corporate Sustainability Due Diligence legislation that is being drawn up. As regards our staff, safety is a priority. The Company has launched a senior leadership programme for high potentials, among other things. The organisation also focuses on the KPI of making products from materials from the waste stream, specifically cardboard and plastic (slide 27).

Gabrielle Reijnen takes over and continues the presentation by explaining the key financial figures for 2022.

Gabrielle Reijnen is proud of the staff's performance and the resilience shown by the Company in 2022, in light of the uncertainties surrounding the macroeconomic conditions and their impact on consumer confidence, combined with a tight labour market.

Sales in 2022 increased by 7.1% to €229.4M, driven by an 8.0% growth in the Benelux and a 6.3% decline in New Business (which excludes sales to BB); total sales of DBC increased by 16.0% to €30.5M (2021: €26.3M). In Q1 BBH still suffered from the lockdown effects and catch-up sales. Despite this, the Company was able to match the strong sales in Q2 2021 in the second quarter. Q3 was weak due to hot weather, after which the trend reversed in September and BBH was able to close Q4 strongly, both in terms of order intake (+16%) and turnover (+3.5%). Black Friday and the holiday season also contributed to these results (slide 29). Due to the strong increase in order intake in Q4, combined with the permanent conversion to sales, the order book closed at €23.1M in 2022. This is 9% less compared with 2021, but a 16.2% increase from 30 September 2022, which bodes well for 2023 (slide 30). Online sales amounted to €42.1M (2021: €50.1M). In 2022 the online channel share was 18.3%, compared with 23.4% in 2021. In Q1 and Q2 online sales dropped by 33.9% and 24.9% respectively, before increasing by 4.5% in Q3 and 12.8% in Q4 (slide 31). Despite higher retail prices due to the increase in the costs of goods, BB was able to maintain its value-for-money proposition, allowing sales to increase while gross margin remained flat at 55.1%. Gross profit increased by €8.3M, to €126.4M. This is in line with the 2022 outlook. Operating costs increased by 13.0%, to €117.7M (2021: €104.2M) as a result of: i.) the 12.8% increase in staff costs due to the wage increase agreed in the collective labour agreement; a tight labour market, which led to the hiring of temporary staff, quality improvement and the hiring of specialists; ii.) higher depreciation due to adjustments in rents (the E-DC and the sale and leaseback of three retail properties). Other operating costs, relating to sales and marketing costs, logistics costs, and other operating costs such as higher electricity and fuel prices, increased by €6.2M (slide 32). All this resulted in an underlying EBIT of €10.6M (2021: €14.5M). Due to the E-DC and the sale and leaseback of retail properties and investments, depreciation of tangible and intangible assets was up €0.5M. Together with a €1.5M higher depreciation of right-of-use assets, this resulted in an underlying EBITDA of €30.7M (2021: €32.8M) (slide 33). Net profit in 2022 reached €5.3M. To compare 2022 with 2021, a tax effect due to the sale of the business operations in Sweden and the sale and leaseback of three retail properties need to be taken into account (slide 34). Investments in 2022 increased to €6.3M (2021: €4.2M) to fund the rollout of the strategic plan. Investments were made in IT infrastructure and the customer journey, to improve the store network, roll out the Better Sleep ID, and model a data lake. Net fixed assets increased, with investments exceeding depreciation in 2022 (slide 35). As of 31 December 2022, the net cash position was €37.7M. In addition, BBH has a €30.0M bank credit. This credit facility has not yet been used. Partly because of the €67.7M cash headroom, there is sufficient room to further implement the strategic plan; in line with the revised dividend policy, BBH proposes a cash dividend of €0.15 per share (see agenda item 7) (slide 36). This is in line with last year and the revised dividend policy.

The following questions are raised in respect of this agenda item:

Before Mr R. Snoeker asks his question, he shares with the shareholders his good experience of his visit to the Experience Store in Eindhoven and the use of the Better Sleep ID. He asks the following questions, which are answered by John Kruijsen:

- Looking at the current situation, is the target stated in the annual report, i.e. an annual growth of 15% in turnover, realistic?
The target is ambitious. The strategy was launched two years ago during a period when society was facing the COVID crisis, and the effects thereof were unclear. This has resulted in a delay. Additionally, BBH has also been confronted with the consequences of the war in Ukraine. The challenges have certainly not diminished. The MB and management periodically assess the feasibility of the target. At present, BBH still has sufficient options and the underlying dynamics are favourable. Moreover, the plan extends until the end of 2025; BBH has not reached the halfway point of that timeframe. If at any time BBH believes that the target is not attainable, this will be communicated with the shareholders. Since this has not happened yet, it can be concluded that BBH is currently optimistic about the feasibility. However, it will require hard work to achieve the target.
- Is it possible to provide more specific details on the growth, and on the results of each product group/division in the next annual report?
Turnover is growing due to the continuous growth in the stores, and the margin shows a positive development due to the purchasing policy, which enables BBH to increase the margin in the next few years without immediately reflecting this in the retail prices. BBH is confident that the B2B funnel, which was delayed by COVID, will be revived. Analyses show that 'Online' is increasingly outdistancing competitors. There are also growth elements that are not shared with shareholders for competition reasons. John Kruijssen considers copying BB as confirmation that the strategy works, and only increases the drive to do better. Gabrielle Reijnen adds that, on the one hand, reporting takes place based on the split between Benelux and New Business, and on the other hand by offline and online sales. As a listed company, the Company is obliged to publish periodic reports. To not make the competition any wiser, that what is not required to be reported is not disclosed.

Mr A. Jorna asks on behalf of the VEB the following questions; Gabrielle Reijnen answers the question on the online growth strategy, Jaap Westland answers the question on the code of conduct at buyers, and John Kruijssen answers the remaining questions.

- Regarding the 'Brick & Mortar' growth strategy: In addition to Groningen, an Experience Store has opened in Eindhoven. When will the next two Experience Stores be opened and how many high-traffic locations are currently open? How much budget has been allocated to achieve the transition in retail product range and reduce the floor area on shopping boulevards?
There is every chance that another Experience Store will be opened this year, and a fourth one next year. The City Store is still a pilot and there will be only one of them for the time being. Elements from the Experience Store will be introduced in boulevard shops, albeit on a smaller scale. BB has started rolling out the Better Sleep ID to all stores in the Netherlands and Belgium, with other components to follow. This will keep the Company within the investment parameters for the next five years, with an average of max 3% of turnover per year.
- Regarding the 'Online' growth strategy: What is the net profit percentage of online sales compared to offline and what is the growth target for online over time? Does online focus predominantly on the Beddenreus product range?
Because of the omnichannel principle, the profitability partly depends on the channel to which certain costs are allocated. Online is used both for browsing and as a platform on which products can be bought. The webshop mainly sells bedding textile products and lower-priced mattresses. BBH is sticking to its online channel share target of 25%, as it has been shown that consumers mainly use online to browse, whereupon they make their purchases offline.
- Regarding the 'New Business' growth strategy: What is the current relationship with DeRucci and what progress has been made on the Leazzzy model; how many contracts have been signed?
John Kruijssen confirms that a contract has been signed and that containers of test products have been shipped to China. However, the COVID pandemic made doing physical business in China impossible. The Company is trying to re-establish the ties, but it is not easy, also due to the fact that former contacts left. The further rollout of Leazzzy and the related marketing activities have been suspended in view of anticipated new legislation that may impact the decision whether or not to continue this business model.
- What is the strategy for Belgium?
The marketing campaign launched in Belgium last year significantly increased BB's visibility in Belgium, resulting in significant growth. John Kruijssen is positive about the possibility of opening other stores in Belgium.

- Are there any plans to go international online?
Yes, on the one hand through Amazon, with country alignment and a selection of products. BBH is also willing to consider the acquisition of an online organisation, should the opportunity arise.
- BBH has paid close attention to scope 3 by the signing of the Code of Conduct by suppliers. Is it also observed by commercial partners, such as Ajax and KNVB?
It has been agreed with the partners that the products will be returned. Depending on the duration of use by the commercial partners, returned mattresses are either used for social projects such as projects in Ukraine and asylum seekers' centres, or recycled. BBH participates in the Stichting Matrasrecycling Nederland, a foundation whose aim is to collect 85% of mattresses by 2028. In 2022 that figure stood at 55%. The materials of the collected mattresses are separated by the firm of RetourMatras. Of these materials, 81% is effectively reused.

3. Report of the Supervisory Board for the 2022 financial year

The chair refers to pp. 90 - 95 of the Annual Report for the Supervisory Board's report.

The SB supervises and assists the MB on behalf and for the benefit of the stakeholders. The SB is responsible for ensuring the continuity of the management and the organisation.

In the past year the SB consisted of Bart Karis (chair), Barbara van Hussen (vice-chair), Alain Beyens, and Maaïke Schipperheijn.

In 2022 the SB was involved in the developments at BBH and its subsidiaries. In preparation of the SB meetings the chair had frequent contact with the MB. The SB met, both in person and virtually, ten times with the MB in 2022, with the SB being regularly, timely and properly informed by the MB, both orally and in writing, about topics including the operational results of the various formulas; the Company's finances; the further implementation of the strategy; and the further development and implementation of the ESG strategy.

The SB met with the external auditor on the 2022 results, the audit findings, the half-year results, the results for the 2022 financial year (until the end of November), and the findings with regard to the internal audit systems.

The functioning of the MB and the implementation of the remuneration policy for the MB, among other things, were discussed behind closed doors. This was coordinated in individual talks. Following an explanation by the audit committee (AC), the SB also discussed the risk inventory with the MB. The procedure regarding risk analysis, risk management, risk control, and the external auditor's audit of the AO/IC in the context of the annual accounts gives the SB sufficient assurance to issue the management declaration regarding the operation of the risk control and risk management system.

In the 2022 financial year the AC consisted of Maaïke Schipperheijn (chair), Alain Beyens, and Barbara van Hussen. The AC met four times in the past financial year. All meetings were attended by the external auditor, EY Accountants N.V. In addition, the AC held a private session with the external auditor.

The AC discussed the financial statements; the management report; the half-year figures, and the management letter with the MB and the external auditor. It also considered the 2022 control plan, the internal control plan, the annual budget, financing and the risk management and control system. Discussions also took place between the Internal Auditor and the chair of the AC, which included the review of DBC's sales and procurement process, the security & privacy process, and the internal control plan.

In 2022 the remuneration committee (RC) consisted of Barbara van Hussen (chair), Bart Karis, and Maaïke Schipperheijn. The committee met four times in 2022, at which the performance and remuneration of the MB and the organisation's Group Leadership Team was discussed with the MB, among other topics.

In 2022 the selection and appointment committee consisted of Bart Karis (chair), Barbara van Hussen, and Maaïke Schipperheijn. The committee met twice.

There have been no changes in the composition of the SB. The reappointments of Bart Karis and Alain Beyens will be discussed in agenda items 10 and 11 respectively.

Both the SB and MB have a male/female ratio of 50%. This means that they meet the requirements of gender balance.

The SB is aware of the wide interests the Company represents and of its responsibility towards all stakeholders involved in the Company.

The *Sleep Better, Live Better* strategy was further implemented in the organisation in 2022. The Company is preparing for the CSRD by updating its sustainability strategy. COVID also still presented some challenges at the start of the year. Since late February 2022 the organisation has been confronted with the effects of the war in Ukraine, including inflation, higher commodity prices, reduced consumer confidence and increased energy prices. Despite all this, the Company booked an excellent result, thanks to the passionate and committed contribution of employees and stakeholders, for which the SB expresses its thanks.

4. Remuneration report for the 2022 financial year (advisory vote)

Next, Barbara van Hussen, chair of the RC, takes the floor. She refers to the remuneration report included in the annual report (pp. 96-105).

In line with the remuneration policy adopted by the AGM in 2020, part of the remuneration is variable and depends on the long-term and short-term performance of the individual members of the MB. The remuneration report is subject to an advisory vote. In 2022 the remuneration of the MB consisted of a base salary, short-term variable remuneration, a pension scheme, a long-term participation scheme in the form of a PSU plan, and other benefits.

Based on the following grounds, the SB granted the MB a remuneration as set out in the remuneration report.

2022 was a year in which almost all sectors, including retail, faced considerable challenges. The management team continued to focus on cost control, disciplined capital spending, and strict cash flow management. The SB is of the opinion that, despite the uncertain and challenging market conditions in 2022, the MB has shown decisive and proactive leadership by remaining focused on implementing the strategy, rationalising the product range, reinforcing the brand, optimising the store network, and improving the online product offering. 2022 also saw an increase in market share and double-digit NPS growth compared with 2021. To further support the implementation of the strategic plans and pursue potential opportunities, the existing credit facility was increased to €30 million.

In addition, sustainability activities were stepped up, both in terms of preparing for upcoming regulations under the CSRD and implementing the strategy aimed at becoming a more sustainable organisation. To emphasise the importance of sustainability, both the short-term and long-term variable remuneration of both the MB and senior management are conditional on achieving specific sustainability targets.

The SB's remuneration remained unchanged in 2022 and consisted of a basic remuneration plus an additional remuneration for the chair.

Mr A. Jorna asks the following questions about this agenda item on behalf of VEB:

- Why are the companies in the peer group, on which the MB's remuneration is based, not listed? Which are these and could they be included in the next annual report?
The peer group is compiled on the basis of external advice and consists of small-cap companies. For competition reasons these are not disclosed in the annual report.
- It is said that the KPIs 'cash flow' and 'return on capital employed' for the purpose of MB remuneration, are above maximum, while both the free cash flow, from 18 to 3, and ROCE have declined. Were the targets so ambitious that the remuneration could nevertheless be awarded, or did the SB exercise its discretion?
The SB did not exercise its discretion. Maaïke Schipperheijn explains the process of arriving at the remuneration. To avoid making incorrect comparisons with these KPIs, Gabriëlle Reijnen supplements this answer with an explanation of the accounting treatment of awarded PSUs, whereby the Grant Date Fair Value (the value of the PSUs at the time of award) is determined at the time of award. Under IFRS, the Grant Date Fair Value is divided into three equal parts. BBH has deliberately represented both. It is unclear to Mr Jorna what the total cost of €2.3 million in the table refers to in that case. Gabriëlle Reijnen explains that this refers to the costs that are recognised in the P&L during the period the PSU programme is running. Performance criteria have been set for

the specific PSUs which must be met. Mr Jorna asks about the short-term performance criteria, and Maaïke Schipperheijn explains that this refers to the amount that is paid in that year.

Mr Jorna finds this answer unsatisfactory and repeats his original question. A discussion ensues, during which Mr Jorna states that he finds the response given by the SB insufficient and that he intends to put the question to the auditor when agenda item 5 is discussed.

- Is it possible to disclose the targets and KPI scores?
Beter Bed is the only retail organisation in beds that is listed on the stock exchange, which obliges the Company to publish its results. As was also stated last year, the targets and KPI scores are not disclosed for competition reasons.
- Is the CEO's remuneration, despite the fact that he put in a good performance and guided BBH through a difficult period, in line with the business activities and remuneration of CEOs of other, similar-sized listed companies? Mr Jorna thinks the remuneration is rather high and disproportionate.
This discussion was also held at last year's AGM and the SGM of 16/12/2021, at which a majority of the shareholders approved Mr Kruijsen's reappointment and his associated remuneration. The SB considers the remuneration appropriate and in line with the organisation's high ambitions.

An advisory vote is taken.

Mr Jorna votes against on behalf of VEB with seven shares. According to the voting instructions, 23,063 votes are cast against in respect of this agenda item, with 8,096 abstentions. In view of the number of shares (15,288,006, or 99.85%) voting in favour, the chair adopts the remuneration report for the 2022 financial year.

5. Presentation of the audit of the 2022 financial statements

The Company has released EY from its confidentiality obligations for the purpose of the meeting. The external auditor has a duty to rectify.

The chair gives the floor to Inghwa Hengefeld, partner at EY, who explains the activities of EY, which consisted of auditing BBH's separate and consolidated financial statements and examining whether the annual report complied with statutory requirements. The audit, which EY conducted with an expert team and using specialists during the first year of the appointment, has taken place as anticipated. The audit approach was implemented based on EY's audit methodology, knowledge of the industry, and knowledge obtained from PwC's handover. The materiality used, the risks identified, and the key audit matter (revenue recognition) remained virtually the same. Among other things, the operation of the Company as a going concern, the availability of working capital, and the expected long-term results were audited. No findings were noted in this regard. In addition, attention was paid to such matters as fraud, compliance with relevant laws and regulations, and risks in terms of cybersecurity, whereby the risk factors were monitored through the use of data analysis, inspecting manual journal entries, and examining key estimated items. Regarding the non-financial information (e.g. ESG), it has been determined that it is in line with EY's knowledge of the Company and the financial statements file. In addition, the implementation of the CSRD and the reporting that will become mandatory from 2024 were discussed with the Company. The audit brought no material findings to light regarding the key audit matter, revenue recognition, and the additional activities performed on the risk of over-recognition of revenue. Based on the activities, an unqualified audit opinion was issued for the consolidated and separate financial statements, which is attached to the financial statements. Furthermore, no material unadjusted audit differences were found, and estimates and accounting policies are applied consistently (slide 48). The audit of the financial statements is laid down in the audit plan, the management letter, the audit report, and the audit opinion. These reports have been discussed with the MB, the AC and the SB. EY considers the cooperation as committed, transparent and critical, and that findings are followed up adequately. EY attended all AC meetings, during which there was sufficient opportunity to discuss the audit, and private sessions also took place (slide 49).

Mr A. Jorna asks the following questions on behalf of the VEB:

- According to EY, does BBH's annual report comply with IFRS 8?
Inghwa Hengefeld confirms that EY has issued an unqualified opinion on the financial statements, which signifies that the financial statements comply with IFRS standards. Mr Jorna has a different opinion about the IFRS 8 guideline.
- How does the audit approach differ for revenue as key audit matter and as fraud risk?
EY has identified revenue recognition as a fraud risk. This means that, if a fraud risk is identified, additional activities are performed. Cut-off of revenue was identified as a (fraud) risk. EY undertook additional activities in this respect.
- Has the movement of funds been reconciled with the movement of goods in this set-up?
The activities involve using data analytics. This means that the goods sold, orders, revenues, accounts receivable, and their overall calculation, are fully reconciled.
- How has EY included the stock-taking in the audit to ensure that it is accurate, complete and timely?
The stock was audited as part of the audit of the financial statements, which included on-site stock-taking.
- Returning to his earlier question on remuneration, Mr Jorna asks whether EY can explain why the awarded remuneration was above the cap, even though the KPI 'free cash flow' decreased significantly?
Ms Hengefeld replies that she was responsible for auditing the remuneration report and refers to the Company for substantive questions.

Since Mr Jorna is not satisfied with the answer, Maaïke Schipperheijn adds that the ambitious targets, which include growth ambitions and investments, were set at the beginning of the year. It was estimated at the time that the free cash flow would be slightly negative. BBH generated more revenue, while the investments turned out slightly different. Consequently, the generated free cash flow is positive and therefore above the target set.

- Mr Jorna refers to NBA Guideline 1118, which EY has also adopted, and which requires the auditor to comment not only on the assignment given but also on the elements of this assignment. In view of this, Mr Jorna asks EY's opinion about BBH's cybersecurity, internal control measures, culture and the tone at the top?
Cybersecurity is not only a focus point of EY's audit, but also for BBH, which considers it a key business risk. The cybersecurity procedures have been reviewed, whereby it was considered whether cybersecurity risk could potentially lead to an error in the financial statements. However, no findings were identified for which a key audit matter should be defined. Ms Hengefeld states that this matter has BBH's attention and that it is closely monitoring recent developments. The same applies to internal control. The tone at the top is transparent, open and proactive. For the contents of the management letter, reference is made to the Company.

Mr Jorna reminds Ms Hengefeld of her responsibilities with regard to Guideline 1118. Ms Hengefeld responds that it will not enter into force until next year. She emphasises that the matters raised in the management letter are actively followed up. This answer is insufficient for the VEB, whereupon the discussion is closed.

Following this discussion, Mr Snoeker asks the chair whether the picture shown symbolises the previous discussion. The chair leaves him to judge this for himself.

6. Adoption of the financial statements for the 2022 financial year

Reference is made to the financial statements included in the annual report (p. 107 ff).

Pursuant to Article 32(2) of the Articles of Association, the financial statements are adopted by the AGM.

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

- Gabriëlle Reijnen mentioned in her presentation the causes for the higher operating costs. Where are the possibilities to further reduce the operational costs?
Due to changed macroeconomic conditions, BBH started to adjust these costs during 2022. This readjustment has been taken into account in the 2023 budget, and improvements have been made in a lot of aspects, both at unit cost levels and through actions taken as a result of inflation-driven cost increases. John Kruijssen is confident that the cost increase for 2023 is better balanced.
- Can you explain why a new head office is being considered, in addition to a new DC?
John Kruijssen points out that building a new DC is more relevant than building a new head office. However, this new, larger DC can only be developed on the location of the current head office. Therefore, the design includes the construction of a new head office.
- It was recently revealed that the owner of the buildings BBH leases is based in Luxembourg and evades tax payment by diverting funds to the Cayman Islands. An article in newspaper Eindhovens Dagblad quotes Beter Bed as saying ".... We pay the rent and they are prepared to fund us...That's the end of the matter for us". Do you think this attitude is appropriate and fitting in view of the sustainability policy you just presented?
John Kruijssen completely dissociates himself from this statement and is very vexed that it ended up in the newspaper in this way. In fact, no journalist was spoken to. He explains that in 2019 BBH did business with an English property investor, which in turn independently decided to transfer assets to companies in jurisdictions other than those in which BBH transacted business at the time. Professional advisers were involved in the transaction. He confirms that BBH maintains a good relationship with the English property investor and its Dutch intermediary, with whom the new building plans and the lease are also discussed. BBH has no reason to doubt the integrity and quality of this party.

The chair puts the proposal to the vote. Based on the proxy votes cast in advance and the votes cast at the meeting, the resolution to adopt the 2022 financial statements is adopted with a majority (99.85%) (15,310,033 votes in favour, 1,443 votes against, with 7,696 abstentions).

7. Dividend proposal for 2022

According to best practice provision 4.1.3 of the Corporate Governance Code, the Company's dividend policy must be discussed each year as a separate agenda item.

The aim of the policy is to maximise shareholder value while maintaining a healthy capital position, and contains two main elements:

- The dividend is determined based on the Company's estimate of its cash flow position and the profit it must add to the reserves 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 aims at a dividend distribution of at least 30% of the normalized net profit from continued operations, provided that the financial conditions are stable.

Based on the financial position and the financial performance in 2022, it is proposed to pay a cash dividend of €0.15 on each share. The ex-dividend date is 12 May 2023, the record date is 15 May 2023, and the dividend is payable from 22 May 2023.

Mr A. Jorna asks, on behalf of the VEB, how long BBH can sustain paying a higher dividend than what is received as free cash flow, also in view of the higher expected CAPEX?

Gabriëlle Reijnen replies that, taking into account the terms set out in the dividend policy approved last year, the decision to pay dividends for this year was based on the Company's cash position and BBH's ability to implement the strategic plan. In addition, the continuity of dividends is considered. BBH has determined that the net cash position, combined with the €30.0M credit facility, enables the Company to implement the strategic plan and pay dividends.

The chair puts the proposal to the vote. Together with the proxy votes, 15,310,476 votes are cast in favour, 1,000 against, with 7,696 abstentions, whereupon the chair concludes that the resolution to declare the dividend is carried by 99.99% of the votes.

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

8. Release from liability of the members of the Management Board for the management conducted in 2022

According to best practice provision 4.1.3 of the Corporate Governance Code, discharging of the Company's directors from liability must be dealt with each year as a separate agenda item.

There are no questions or comments on this agenda item, whereupon the chair puts the proposal to the vote. Including the proxy votes, the chair concludes that 15,302,903 votes are cast in favour, 1,523 votes against, with 14,746 abstentions. This means that the resolution to grant the MB discharge from liability is carried by 99.99% of the votes.

9. Release from liability of the members of the Supervisory Board for the supervision conducted in 2022

This item is also an annual agenda item.

There are no questions on this item, whereupon the chair puts the proposal to the vote. Including the proxy votes, 15,308,903 votes are cast in favour, 2,273 votes against, with 7,996 abstentions. The chair concludes that the resolution with regard to this agenda item is carried by 99.98% of the votes.

10. Proposal to reappoint Mr B.E. Karis as Supervisory Board Member

Reference is made to item 10 of the notes to the agenda.

The chair gives the floor to Barbara van Hussen. Bart Karis was appointed as supervisory director on 3 December 2018 in view of his knowledge of the retail industry, his managerial and international competence, and his experience as CEO and supervisory director at several retail companies. The SB considers him qualified as a supervisory director because of his expertise on repositioning and revitalising retail brands. The experience he has gained at BBH in the past period also plays an important role. For these reasons, the SB nominates Mr Karis for reappointment.

The chair puts the proposal to the vote. Including the proxy votes cast, 15,302,716 votes are cast in favour, 2,017 votes against, with 14,439 abstentions, so that this agenda item is carried by 99.98% of the votes.

Barbara van Hussen congratulates Bart Karis on his reappointment. The reappointment is for a period of four years. It ends at the end of the first AGM held after four years have passed since the reappointment.

11. Proposal to reappoint Mr A. Beyens as Supervisory Board Member

Reference is made to item 11 of the notes to the agenda.

Alain Beyens was appointed as supervisory director on 3 December 2018 in view of his knowledge of the retail sector, his managerial and international competence, and his experience as CEO and supervisory director. The SB considers him qualified to fulfil the supervisory role because of his broad managerial and strategic experience. Alain Beyens has furthermore gained extensive knowledge and experience at BBH since his appointment in 2018. For these reasons, the SB nominates Alain Beyens for reappointment.

The chair puts the proposal to the vote. Including the proxy votes cast, 15,303,386 votes are cast in favour, 1,347 votes against, with 14,439 abstentions, so that this agenda item is carried by 99.99% of the votes.

Alain Beyens is congratulated on his reappointment. The reappointment is for a period of four years. It ends at the end of the first AGM held after four years have passed since the reappointment.

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

Reference is made to item 12 of the notes to the agenda.

Pursuant to Article 13 of the Articles of Association, the AGM is asked to authorise the MB to have the Company acquire its own shares up to a maximum of 10% of the issued number of shares. The purchase price may not be more than 10% higher than the average closing price on the five trading days prior to the date of acquisition. This authorisation is requested for a period of 18 months after the date of this AGM. If the authorisation is granted, the current authorisation will no longer be used.

There are no questions on this item. The chair puts the proposal to the vote. Including the proxy votes, 15,270,202 votes are cast in favour, 2,404 votes against, with 46,566 abstentions. The chair concludes that the resolution to authorize the MB to acquire/purchase treasury shares up to a maximum of 10% of the outstanding number of shares is carried by 99.98% 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

Reference is made to item 13 of the notes to the agenda.

Pursuant to Article 10 of the Articles of Association, shareholders are asked to authorise the issue of new shares or the granting of rights to subscribe for shares up to a maximum of 10% of the issued 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 is requested for a period of 18 months from the date of this AGM and is subject to the approval of the SB. If the authorisation is granted, the current authorisation will no longer be used.

There are no questions on this item, whereupon the chair puts the proposal to the vote. Including the proxy votes, the vote is 15,265,670 in favour, 4,386 against, with 49,116 abstentions, so that the resolution for this agenda item is carried by 99.97% of the votes.

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

Reference is made to item 14 of the notes to the agenda.

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

There are no questions on this item, whereupon the chair puts the proposal to the vote. Including proxy votes, there are 15,265,670 votes in favour, 4,086 against, with 49,416 abstentions. The chair concludes that the resolution is carried by 99.97% of the votes.

15. Authorisation of the Management Board to cancel acquired shares.

Reference is made to item 14 of the notes to the agenda.

With the approval of the SB, the MB proposes, pursuant to Article 15 of the Articles of Association, to reduce the issued capital by cancelling the treasury shares which are acquired pursuant to the authorisation granted under agenda item 12. The number of shares to be cancelled pursuant to this resolution will be determined by the MB, with a maximum of 10% of the outstanding number of shares, equal to the maximum referred to in agenda item 13. The cancellation(s) will take place on the dates to be determined by the MB, with due observance of the mandatory 2-months opposition period.

There are no questions on this item. The chair puts the proposal to the vote. A total of 15,272,412 votes are cast in favour, 5,894 votes against, with 40,866 abstentions. The chair concludes that the resolution to cancel the repurchased shares is carried by 99.96% of the votes.

16. Announcements

There are no announcements.

17. Any other business

Mr R. Snoeker from Nieuwkoop asks whether, given the amount of the dividend, there is another way to reward shareholders, such as handing out the sleep analyser that was also included in the employees' Christmas package?

The chair states that he will consider this.

Mr A. Jorna asks, on behalf of the VEB, what BBH's participation in the Afforestation Project in Qianbe in the east of China to obtain 1,000 tonnes reduction involves?

Jaap Westland replies that this is a reforestation project. This is done in partnership with an organisation that monitors and certifies according to international standards.

18. Closing

The chair thanks all those present for coming to Uden and for their positive contribution to the AGM. He hopes to see all shareholders again next year. The chair closes the meeting.

List of resolutions

- Adoption of the 2022 remuneration report (advisory resolution).
- Adoption of the financial statements for the 2022 financial year approved by the Supervisory Board.
- Adoption of the dividend proposal for 2022.
- 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.
- Reappointment of B.E. Karis as Supervisory Board Member.
- Reappointment of A. Beyens as Supervisory Board Member.
- 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 pre-emptive rights in connection with the preceding resolution.
- Authorisation of the Management Board to cancel acquired shares.

Mr B.E. Karis,
Chair

Mr B. Dekker,
Secretary