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

Held on Thursday, 18 May 2017 at 2.00 p.m. at the Hilton Hotel, Apollolaan 138, Amsterdam, the Netherlands.

Present on behalf of Beter Bed Holding N.V.

Supervisory Board:	Mr D.R. Goeminne (Chairman) Mr A.J.L. Slippens (Vice Chairman) Ms E.A de Groot Mr W.T.C. van der Vis
Management Board:	Mr A.H. Anbeek (Chief Executive Officer) Mr B.F. Koops (Chief Financial Officer)

1. Opening

The Chairman called the meeting to order and welcomed the shareholders and observers present. Of the total of 21,955,562 shares outstanding, 13,608,902 shares carrying voting rights (61.98%) were represented at this meeting. This number enabled legally valid resolutions to be taken.

The Chairman introduced the Supervisory Board and the Management Board. He also welcomed Mr W. van Rooij (the auditor from PwC) and his colleague, Mrs M. Martens, Mr E. Weerts and Mr J. Boerjan (Group Controller and Controller at Beter Bed Holding N.V.), the representatives of the Executive Committee of the Works Council of Beter Bed B.V. and Mrs B. van Loon who would be counting votes.

The proxy votes were cast by Mr R. van Bork, civil-law notary at Loyens & Loeff.

Ms G. de Jong was designated as secretary of the meeting. She was asked to take the minutes of this meeting. In accordance with article IV.3.10 of the Corporate Governance Code, the minutes of the Annual General Meeting of 19 May 2016 were posted on the corporate website of the company within three months after the meeting. No comments were received during the subsequent three months, after which the minutes were adopted and signed by the Chairman and the secretary.

All relevant and current information for the company is available on the updated corporate website, www.beterbedholding.com and the annual report website www.annualreportbeterbedholding.com.

A sound recording was made of the meeting.

2. Discussion of the 2016 Annual Report

The Management Board commented on the main developments in the 2016 financial year. On the basis of a presentation that had also been posted on the corporate website, www.beterbedholding.com, Mr Koops discussed the financial results.

Slide 4: From the third quarter 2014, the company achieved consistent revenue growth in twelve successive quarters. Revenue of € 115.0 million had been achieved in the first quarter 2017, compared with € 106.0 million in 2016.

Slide 5: EBIT had been developing in line with revenue except in the third and fourth quarters of 2016. Although revenue rose, EBIT did not move in step with it in those quarters. This was due to declining revenue in Germany in that period. This opposed movement was attributable to the fact that the business model and cost level applying in Germany differed from those in the Netherlands, which had affected EBIT.
Slide 6: earnings per share were € 0.87 (2015: € 1.03). At € 16.5 million, investment was in line with the strategy. Of that amount, around € 11 million was invested in stores and the remainder was invested in omnichannel-/e-commerce activities and other operating assets. The balance sheet total rose by € 11.9 million to € 143.6 million. The stock turnover rate fell by 0.1 to 6.6 due to the acquisition of Sängjätten, whose business model was similar to that of Beter Bed. EBITDA decreased by 8.7% to € 37.5 million. Operating profit was € 26.0 million, compared with € 30.7 million in 2015. Net profit decreased by € 3.6 million to € 19.0 million.
Slide 7: the profit and loss account showed an increase in net revenue by 6.5% to € 410.5 million. Growth in comparable stores was 2.8%. Owing to an inventory adjustment at the close of the year, gross profit only edged up slightly, to 57.8%, from 57.7% in 2015. The increase in costs by € 19.6 million was attributable to an increase in the number of stores by 3.6%, the acquisition of Sängjätten, increased logistics costs in the Netherlands due to the revenue growth and a number of non-recurring components. At 51.4%, total operating expenses as a percentage of revenue were considered to be too high by the company, which aims for a percentage below 50%. This was an area requiring attention.
Slide 8: the tangible fixed assets on the assets side of the consolidated balance sheet increased by € 3.6 million to € 38.1 million. Intangible fixed assets doubled to € 7.0 million (2015: € 3.5 million). The financial fixed assets, comprising security deposits and a deferred tax asset, rose to € 1.9 million (2015: 1.6 million). The increase in inventories by € 4.0 million to € 61.9 million was attributable to the increase in the number of stores and the acquisition of Sängjätten. The increase in accounts receivable by € 4.3 million was the result of the cooperation agreement of the subsidiary DBC with Dreams, which was responsible for the sale of M line products in the United Kingdom, and sales via the non-proprietary web shops.
Slide 9: the increase of the balance sheet total on the liabilities side was reflected mainly in the item current liabilities, which increased from € 53.1 million in 2015 to € 64.4 million in 2016. This was attributable to the extension of the payment terms in the German-speaking countries and the high sales and/or the increased number of prepayments in the Netherlands. Equity rose by € 1.1 million to € 76.9 million. Net working capital fell from € 13.5 million in 2015 to some € 10 million. The company saw room for further improvement here. Solvency decreased to 53.5% (2015: 57.5%).
Slide 10 + 11: there were no particular developments in the cash flow statement. Cash flow from operating activities decreased by € 2.0 million to € 34.0 million. Depreciation was € 11.2 million, compared with € 9.8 million in 2015. Cash flow from investment activities was € 19.8 million negative in 2016 (2015: -€ 15.5 million). Due to the distribution of dividend, cash flow from financing activities was € 18.0 million negative (2015: € 15.9 million negative). The movement in net cash and cash equivalents accordingly was € 3.7 million negative compared with € 4.6 million positive in 2015.
Slide 12: as announced in the analysts meeting on 17 March 2017, Beter Bed Holding would in future only communicate revenue in its trading updates on a quarterly basis. Also, further to the harmonisation of European tax laws the updated German corporate income tax would affect the group's effective tax burden with effect from 1 January 2017. In addition, IFRS 16 (leases) would have a significant balance sheet impact with effect from 1 January 2019. Beter Bed Holding intends to begin gradually disclosing this mandatory information as from this year.

Mr Anbeek continued the presentation.

Slide 13: the vision and mission of Beter Bed Holding were unchanged.
Slide 14: the objectives, of increasing customer satisfaction, increasing net profit, a strong balance sheet position and CSR, were unchanged.

Slide 15-19: the aforementioned objectives had been specified in the strategy *From Good to Great 2016-2020*, introduced in 2015. This strategy focused on the following themes: Retail marketing, E-commerce, Expansion, Purchasing and Sales, Backoffice and two newly formulated CSR goals. As in the preceding year, the focus areas within Retail marketing intended to lead to an optimal customer experience were tighter positioning of the Beter Bed Holding formats, increasing customer satisfaction, improving transaction power in the Benelux and attraction power in the other countries, investing in (online) marketing/advertising, product and brand innovation and investing in the training of sales and logistics employees.
With regard to E-commerce, the company was aiming to deliver the best results by means of the right websites, well-equipped, customer-friendly web platforms and stores in the best locations. This effect was already manifest in the Benelux, where online revenue as percentage of revenue was moving towards 10%. Starting this summer, when the new web shop platforms and drop shipment modules would be going live in both the Benelux and the DACH countries, it would be possible to add numerous 'web exclusive' products, which will not need to be kept on stock. The web platforms would enable the company to place and when required change content on the websites quickly and efficiently. In order to remain in step with developments, expansion of the e-commerce departments to around 20 FTEs in both the Benelux and the DACH countries would be necessary. The Management Board was aware of the investment, with costs preceding benefits. This investment was intended, ultimately, to initiate and/or accelerate the ROPO (research online/purchase offline) effect.
Regarding Expansion, the emphasis was on organic growth in existing countries. Acquisitions were not opportune, as the focus was fully on Germany and the other DACH countries.
Purchasing continued to focus on improving margins, in which connection it should be noted that owing to the rapid growth of box springs in the Netherlands, Germany, Sweden and online, the absolute percentage was expected to be subject to some pressure. As a result, the customary margin growth would slow. A continual focus was also being maintained on delivery time optimisation. As a consequence of the growth in drop shipment deliveries, delivery times would be accelerated and inventories in the distribution centres would be reduced. The development of additional product ranges likewise remained a focus area. These products, matching the bedroom range, would often be offered online and delivered via drop shipment. At the same time, maximum synergy between the various formats in the various countries was being pursued.
In Sales, the core activities continued to be training the staff in the stores and further optimising the omnichannel customer experience, supported by advice and configuration tools, allowing customers to be served more rapidly and efficiently. Customer service was benchmarked on the basis of the Net Promotor Score (NPS) and customer assessments. The eKomi score was 9.6 in Belgium, 9.2 in the Netherlands and around 9 in Germany.
Professionalisation was being driven forward in the field of HR by tools including the deployment of 360° assessments and the appropriate KPI dashboards that further supported the team and "high performance" culture. The business support function had been further expanded within Finance. The development of the aforementioned KPI dashboards would serve to provide the appropriate data to guide management, facilitating the accurate analysis on a daily basis that enabled swift adjustments to be made where necessary.
Progress had been made in Logistics in the further optimisation of the infrastructure and the acceleration of the supply chain.
Progress had likewise been achieved within IT, for instance in the field of e-commerce by making it possible to link the various different systems, thus increasing user friendliness for both staff and customers.
Besides the goals defined previously, two new strategic objectives had been formulated in the area of CSR.
Slide 20: one of those goals was the development of sustainable and re-usable bed systems. Work was underway, in cooperation with TNO (Netherlands Organisation for Applied Scientific Research) and a number of suppliers, on a leasing concept, which was scheduled to be introduced in the market next year. In addition, the mattress sector was one of the sectors designated by the government to achieve a better way of re-using raw materials. The joint industry would have a number of years to organise this itself, which offered opportunities for joining forces and carrying out research via an Industry Innovation Fund into eco-design innovations that could facilitate the accelerated re-use of raw materials.

Slide 21: of the CSR objectives defined previously, the percentage for delivering safe products by way of certified mattresses continued to rise in 2016, to 93%. The number of women in top management increased to 29%. Partly due to the mild winter, energy consumption decreased to 67.1 kWh/m^2, while customer satisfaction expressed in eKomi increased further.

Slide 22 + 23: while the other formats recorded revenue growth, results were adversely impacted by the developments in Germany, where the revenue of **Matratzen Concord** decreased by 2.0% in the past year to € 257.0 million and the revenue in comparable stores declined by 4.8%. The Management Board found that insufficient progress had been achieved in several areas at Matratzen Concord, including sales of the box spring collections and the development of the web platform. In order to ensure that the defined strategy and the measures taken, which had proved to be successful in the Benelux, also succeeded in Germany, the Management Board decided to take over the management in Germany in the next nine months with a view to modifying processes and achieving a culture change there. Cooperation with the Benelux would also be intensified as part of this. The Management Board saw 2017 as a transitional year and expected to have recruited a new General Manager for the German-speaking countries by the end of this year who would continue to pursue the revised policy. The Management Board firmly believed that following the measures taken, Matratzen Concord would be able to record similar results to those at the Beter Bed and Beddenreus formats. With revenue of € 122.4 million, **Beter Bed** again achieved double-digit growth (20.8%; LFL 19.2%). **Beddenreus** reported revenue of € 11.6 million, up 12.9% from € 10.3 million in 2015. Growth in comparable stores was 18.9%.

Slide 24: gross profit increased again, by 0.1% to 57.8%; as stated earlier, the margin would be subject to some pressure in the years ahead due to the adverse effect of the increasing share of sales of box springs in the mix.

Slide 25: the costs per store increased by 6.3%. Excluding non-recurring costs of € 2.6 million, the increase per store was 5.0%. The increase was due to increased marketing costs that delivered too little in Germany, higher staff costs with investments in areas including e-commerce and training, and higher logistics and overhead costs. The costs had recently been reviewed again and a cost saving programme had been launched.

Slide 26 + 27: in 2016, 63 stores were closed and 108 were opened, as a result of which the total number of stores increased from 1,159 in 2015 to 1,206. This included the web shops. Besides the growth of the number of stores due to factors such as the acquisition of Sängjätten, some locations were also improved.

Slide 28: Sängjätten had been added in the mid-range segment of the overview of the largest players in the bedroom furnishing market. Sängjätten's business model was identical to Beter Bed's full-service format. There were no shifts compared to last year, though it should be noted that liquidation proceedings had commenced for Matrassendirect (formerly MFO), one of Matratzen Concord's direct competitors.

Slide 29 to 37: the decrease in like-for-like revenue of the **Matratzen Concord** format in Germany of 5.6% outpaced the 4% decrease of the market for mattresses. The format was adversely affected in the past year by factors such as the growth of the box spring segment in the market, to which Matratzen Concord had not responded sufficiently, and to a lesser extent the emergence of the "one size fits all" mattresses segment. Measures had been taken to turn this around. The format would be switching to hybrid and "standalone" stores next year, which would be accompanied by a reduction of complexity. A simplification of the product range, which would be adopted one-on-one from the Benelux, would create room for the sale of box springs, which would be showcased at the front of the stores. The number of box springs and stands to be placed would depend on the size of the store concerned. Photographs shown depicted the new Matratzen Concord store and the pilot store Boxspring Betten Concord in Düsseldorf. As a result of the test in this store, elements from this store would be integrated in the new Matratzen Concord store, which was set to be rolled out further as hybrid store.

Slide 38 to 43: whereas the market grew by around 8%, **Beter Bed** continued to increase its market share in 2016 with like-for-like growth of 19.2% (2015: 11.6%). In the Benelux, the execution of the Good to Great strategy was on track and was successful. The customer reviews and NPS scores were continually improving and growth of online sales was also continuing. A number of photographs depicting the very latest layouts in the stores were shown. The stands on the photographs were also representative of the new interior design of the Matratzen Concord stores in Germany.

Slide 44 to 48: the remodelling of all stores of **Beddenreus** was completed in 2016. The relaunch accordingly progressed successfully, producing a favourable LFL development. The next photographs showed the new interior design.
Slide 49 to 53: DBC had entered into an alliance with Dreams in 2016 for the sale of **M line** products and the box springs were introduced. Photographs illustrated these developments.
Slide 50 to 58: the relaunch of **Sängjätten** had been prepared and initiated during the last six months of 2016. This format had been tied in with the Beter Bed format at both the front end and the back end. This meant, for instance, that purchasing and marketing were managed from Uden. Going forward, that policy would also be implemented in the German-speaking and other countries. Photographs presented showed that a similar concept to that in the Netherlands had been introduced in Sweden on the basis of a minimal investment. Moreover, various existing labels had been introduced in Sweden.
Slide 59 to 63: revenue growth in comparable stores at **El Gigante del Colchón** was 3.7% in 2016. This format had grown more rapidly as a result of the expansion.
Slide 64 to 66: the test at **Literie Concorde** with smaller stores had been expanded to several smaller towns as well. An evaluation of the progress of Literie Concorde would follow later this year.
Slide 67 + 68: regarding the outlook, revenue growth was foreseen in the Benelux and in Spain as well as an improved revenue trend in Germany and Switzerland. Austria had to contend with a strong comparative basis. The relaunch of Sängjätten in Sweden would be continued. The focus would also remain fully on the themes of customer satisfaction, retail marketing, innovation, expansion, omnichannel/e-commerce and logistics. Driven by the new web shop platforms, an increase of the online sales in the DACH and Benelux countries was expected. Besides pursuing a reduction in complexity and an improvement in net working capital, the company would renew its focus on cost management by reducing costs per store by 3%.

The chairman thanked Mr Koops and Mr Anbeek for their comments and gave shareholders an opportunity to ask questions.

Mr R. Snoeker from Nieuwkoop had the following questions:

a. The press release of 12 May 2017 had stated that the company saw the improving like-for-like in Germany as a turnaround. Was this to be understood as a turnaround or as a deceleration of the downturn?
b. What was the reason for the increase of the selling and distribution costs, which, upon calculation, had risen from € 44.3 million to € 51.6 million?
c. Owing to the online sales, vacancy levels were high and this might entail price changes for rents. What was the impact of this on the company?
d. Was the web shop platform in Germany now fully operational?

Mr Koops replied to the questions a., b. and d.

a. This served to state that revenue in comparable stores in Germany, following a negative development in the third quarter of 2016, had improved in the subsequent quarters and was progressively becoming less negative. The Management Board was aware of the seriousness of this matter. On the basis of the measures taken and given that a positive trend was discernible, this had been reported in the press release.
b. In Beter Bed's full-service business model, logistics costs were related to revenue. In 2016, there was a substantial increase in revenue in the Benelux, with a concomitant increase in logistics costs.
d. The delay had been eliminated, and work was progressing on schedule. New functionalities were being added every month, whose results would become visible as of March in the form of progressively increasing conversions.

Mr Snoeker proposed that the selling and distribution costs should be stated separately in the annual report and more insight should be provided into the results per format. Mr Koops stated that the company was reticent in that regard due to competition-related reasons.

Mr Anbeek replied to question c.

c. In the Netherlands, the vacancy levels had no great effect on prices and the number of stores of the company. Nor did the Management Board expect any major changes in the number of stores in Germany in the near future.

Mr J. Witteveen, representing Kempen Orange Fund and Kempen Oranje Participaties, stated that he was pleased that the awareness of the situation in Germany had been communicated during this meeting, but wondered whether rapid and sufficient intervention had taken place. He would like to see more emphasis being placed in the meeting on the goals of the recovery in Germany and asked the Management Board and the Supervisory Board for their views. He also expressed his concern that the focus on Germany would undermine the management and the good results in the Netherlands.

He had the following questions:

a. Apart from the possibility of financing, where there any other indications that reflected the improved revenue trend in Germany?
b. In the knowledge that last year, 60 of the total of around 1,000 Matratzen Concord stores had been remodelled, the remodelling will take several more years. Would the remodelling be a difficult or an easy exercise?

Mr Goeminne responded to Mr Witteveen's observation and stated that it was always instructive to look back, but that it was equally necessary to remember that it was only two years ago that Matratzen Concord, with the same management, had achieved the highest revenue in its history. In Mr Goeminne's opinion, the Management Board had provided alerts in a timely manner and the Management Board and Supervisory Board had been diligent in their considerations. He firmly believed that the measures that had now been taken were the right measures in the right context. Mr Anbeek affirmed that in hindsight, intervention might have taken place earlier. The Management Board had learnt from this and believed that it had taken the right measures. These were identical to the themes that had brought success in the Netherlands, as a result of which a relatively rapidly turnaround was possible, offering opportunities for understanding the organisation in a way that allowed for an effective transfer of management to the future leader. The results of the measures taken in Germany would become manifest within a foreseeable period.
Mr Anbeek did not share Mr Witteveen's concern that the Management Board would lose sight of the details in the Netherlands. Beter Bed had a very good management team with strong leadership, allowing the Management Board to focus on Germany with confidence.

Mr Anbeek replied to the questions.

a. The Management Board saw an improvement of the revenue for mattresses, box springs and online and the revenue arising from the addition of bed textiles was also giving rise to positive signals in both Switzerland and Germany. The substantial effect would be visible as from the summer when the entire change of collections had taken place.
b. The remodelling of the stores was relatively simple. Around half of the stores had already been remodelled. This remodelling was being expanded further this year. Owing to the complexity-reducing measures, new box spring collections could be added relatively easily to the already-remodelled stores. Store front advertising concerning box springs would become more effective. Mr Anbeek had confidence in the measures taken and did not expect that these steps would temper the trends already visible or expected.

Mr G. Dekker from Utrecht had the following questions:

a. Could more information be provided on logistics costs relating to the position in Switzerland?
b. With regard to the increase of the staff costs, could the reason for the increase in the number of FTEs in Germany be attributed to the investment in stores or to establishing the online structures?
c. What was the status of the online structures and did online sales tie in effectively with the stores?
d. Would the addition of the box spring collections in Germany mean that a greater floor area would be required?
e. Was there an insight into the development of the percentage that left stores without having made a purchase and then did so online?

The Anbeek replied to the questions a., d. and e.

a. Switzerland was a good market and strongly resembled the Dutch market in terms of structure (price and costs levels). At present, the right logistical solutions were being considered in order to efficiently introduce the box spring range in Switzerland. No major obstacles were foreseen. The effect on the Swiss franc was not negative either.
d. Around 200 stores were relatively large stores. It was desirable to operate larger stores in a number of locations; however, the high costs, long rental periods and exclusivity contracts of competitors could act as impediments. Where a new large store was opened, it was often immediately successful. This was a trend that would gradually continue.
e. Yes, because conversion was measured offline and it was therefore known how many people did not make purchases. Joint studies were also carried out with GfK that provided a good understanding of the online conduct of potential buyers. This understanding helped the company to increase its sales.

Mr Koops replied to questions b. and c.

b. This was connected on the one hand with the expansion of the omnichannel activity, for which specific skills were required, and on the other there were areas in Germany where it was difficult to find people. In order to avoid understaffing and avoid having to close stores, people would continue to be recruited. This understaffing was gradually being eliminated.
c. Put briefly, there were two omnichannel worlds: direct trading and the ROPO effect, which was becoming increasingly important for the company. It was up to the company to make sure that the product range and the price experience matched each other in such a way that customers committed to the company both off- and online. The integration of on- and offline was successful in the Benelux and was being further developed in Germany. Unlike other online players, the company sold its own products and brands both on- and offline, which couldn't be found anywhere else online. In general, fewer people came to the stores because they tended to search online first, but the conversion was good. Mr Anbeek added that beds that were not for yourself, such as beds for the children's or guest or student rooms, etc. were easily bought online. These were products for which the perceived risk and the order amounts were comparatively low. Efforts were being made to gain a share for the company online, but traditionally the target group was the group that bought a bed for themselves. This involved greater perceived risks, as a result of which buyers were more critical and had a greater need for personal advice. Often the initial search was online, but the purchase took place in the stores in the end. Accordingly, the company's e-commerce activities mainly homed in on the ROPO effect.

Mr M. Coenen from Uden was pleased that the CSR report had been further expanded and saw positive developments as regards sustainability and innovations. He had the following questions:

a. Could the technologies for virtual and augmented reality also be applied as tools in bedroom furnishing?
b. Were there developments in personalised beds and mattresses in which the consumer also became manufacturer?
c. Did this mean that, in addition to the goals previously formulated, the adoption of the GRI guidelines and now the consideration of the Paris climate agreement, Beter Bed Holding was aiming to be carbon neutral, climate neutral or a net energy producer in a few years?
d. As the company had stated last year that it did not yet wish to apply environmental accounting, might benchmarking be a good alternative?

Mr Anbeek replied to the first three questions.

a. Topics such as virtual reality and configurators were included in an IT and e-commerce roadmap and had been scheduled for introduction in the next four years, and augmented reality was also on the agenda. A start had been made on a chat function and this was being expanded.
b. In November 2016, the M line You had been introduced at the trade fair in Brussels, and was currently being sold at Beter Bed and various dealers in the Benelux. Developments were favourable.
c. The focus of Beter Bed Holding was at present limited to the two areas discussed earlier in this meeting, and in which Beter Bed Holding had a leading role in the Benelux.

Mr Koops replied to question d.

d. Integrated Reporting was on the agenda of Beter Bed Holding. However, at present and in this phase, the company did not consider it necessary to have a report issued for this, as it was committed to the GRI guidelines and all relevant information was available on the CSR website (http://csr.annualreportbeterbedholding.com). As regards benchmarking, the company considered participation in the Transparency benchmark and the requirements that it had imposed on itself as a standard and target and what the stakeholders could expect of the company in this connection to be sufficient. The company was also held accountable on this by the various major shareholders.

Mr Coenen proposed that a slide should be presented for CSR on the same bases as the overview shown in the presentation of the key players in the market. Mr Goeminne thanked him for the suggestion.

Mr R. Eekman from Gouda had the following questions:

a. Much was made of the cooperation agreement with Dreams that sells M line products in the United Kingdom. But closer inspection had found that this was done only in a limited number of stores and that sales of the M line there were not very high compared with other products. How would this situation develop in the future, also considering that Dreams was up for sale?
b. News items in German media reported on the HR policy at Matratzen Concord, where employees who aimed to establish a works council, because, for instance, they were not being paid for their overtime, were side-lined. How did the management explain those reports in relation to the CSR policy applied and which consequences did the company attach to this?
c. Mr Eekman asked how Investor Relations were being dealt with, as he had not received a response to his e-mail with questions on organising roadshows.

Mr Anbeek replied to the question on Dreams.

a. He did not know what the inspection was based on, but was able to confirm that M line was available in 160 Dreams stores. The company was not dissatisfied with the developments in the past year. How the cooperation with Dreams would develop going forward was not clear yet and depended on the decision-making of the management of Dreams.

Mr Koops replied to the other questions:

b. Legislation for works councils in Germany differed from that in the Netherlands. Here, works councils were established locally, i.e. in the regions. German legislation required issues that occurred locally to be resolved locally. The topics that were dealt with at a local level were very limited. Topics at a nation-wide level were dealt with by the management. Until two years ago, Matratzen Concord had no *'Betriebsrat'*. Local works councils were then established in a number of regions, with the aim of expanding these in a broader connection. An overarching *'Gesamtbetriebsrat'* had since been established. The publicity that arose derived mainly from local dissatisfaction among individuals and was not recognised by the management of other German regions. Although the negative publicity was not welcome at all and was not fully based on the truth, the Management Board was taking this matter very seriously indeed. The Management Board did not have a negative stance concerning *'Betriebsräte'* in general, but adopted a professional yet neutral approach. It left the initiative in the organisation and decisions were taken as was seen fit. The Management Board was continually following these developments. Should more local works councils arise in the future, this would provide an opportunity for organising this top-down by the company.
c. Mr Koops felt personally responsible for this, as such questions were usually and primarily handled by him personally. It was not the company's style not to answer. The company was proud of its transparency, and that there was a reason the Management Board had been nominated for the Nevir IR Award for several successive years. He offered his apologies for the e-mail that had gone unanswered and would be pleased to remedy this after the meeting. With regard to the roadshows, it should be noted that these were not organised by the company itself, but by the large banks. As a rule, roadshows took place following publication of the full year and half year reports. The dates of the roadshows were stated on the financial agenda on the corporate website.

3. Report of the Supervisory Board

On behalf of and for the benefit of the stakeholders, the Supervisory Board monitors and supports the Management Board. The Supervisory Board ensures the continuity of the Management Board and the organisation. Both the Supervisory Board and Management Board endorse the principles for good corporate governance, as stated in the Dutch Corporate Governance Code, which is discussed in item 7 of the agenda.

Mr Goeminne further referred to the relevant section on the annual report website or on page 51 to 54 of the eco-version of the annual report, which described the activities and the in control statement in detail.

There were no changes in the past year in the composition of the Supervisory Board or in the composition of the Audit Committee and the Remuneration Committee. The reappointment of Mr Van der Vis was on the agenda this year (see agenda item 9). In accordance with the rotation schedule, Mr Goeminne and Mr Slippens would retire in 2018. It had been agreed in advance that Mr Slippens would not be reappointed and Mr Goeminne would stay until 2019 to assist in the transition to a new composition of the Supervisory Board.

The Supervisory Board is conscious of the wide-ranging interests represented by the company and is aware of its responsibility to all the stakeholders.

With regard to diversity it was found that although Beter Bed Holding did not meet the statutory requirement of 30% for a balanced composition of the Board, the percentage of women in senior management positions had again increased.

On behalf of the Supervisory Board, the Chairman expressed his thanks to all employees for their great commitment and loyalty.

There were the following questions on this agenda item:

Mr J. Witteveen, representing Kempen Orange Fund and Kempen Oranje Participaties, asked whether the Supervisory Board had also visited the pilot store Boxspring Betten by Concord in Düsseldorf.
The Chairman replied that it had not. He committed to visiting this store when a Supervisory Board meeting would be held in Germany.

Mr M. Coenen from Uden was pleased to see that action was being taken in advance of the reappointments within the Supervisory Board. According to him, it would be difficult to have to find a replacement for a man such as Mr Slippens. He offered his services in helping to draw up a profile. Mr Goeminne thanked Mr Coenen for his empathy, but was eager to meet this challenge himself. No reply was given to Mr Coenen's question concerning the reappointment of Mr Anbeek.

4.a. Remuneration policy

The composition of the Remuneration Committee had not changed in 2016 and consisted of all members of the Supervisory Board. The Remuneration Committee had formulated the key features of the policy. The remuneration policy had been approved by the General Meeting on 23 April 2009 and been amended in part and adopted by the General Meeting in 2013 and in 2016.

For the application and key features of the remuneration policy, reference was made to the Remuneration Report which was available on the annual report website or on pages 55 to 58 of the eco-version of the annual report.

The options policy adopted in 2016 by the General Meeting featured a small change in the composition of the peer group compared with the past year. Following its acquisition by Steinhoff in the latter part of 2016, Mattress Firm had been replaced by Dunelm, which was on the reserve list.

4.b. Report on the implementation of the remuneration policy for 2016

This agenda item provides for the discussion, pursuant to Section 2:135 subsection 5a of the Dutch Civil Code, of the implementation of the remuneration policy for the Management Board and the Supervisory Board. This is based on the disclosures relevant to the remuneration policy, as referred to in Sections 2:383c to 2:383e of the Dutch Civil Code.

The remuneration policy for the Management Board and the Supervisory Board was unchanged. The details were available in the notes to the consolidated balance sheet and profit and loss account on the annual report website or on page 85 of the eco-version of the annual report.

4.c. Consideration of the financial statements for the 2016 financial year

The financial statements were available on the annual report website or in the annual report, starting on page 60. The financial results had been discussed in detail by Mr Koops in his presentation.

4.d. Presentation of the audit of the financial statements

The Chairman gave the floor to Mr Wim van Rooij, partner at PwC Accountants, who used a presentation to discuss the audit procedures, which PwC had performed for the second year for the company, and the auditor's report.

Beter Bed Holding had, for the purpose of the AGM, suspended PwC's duty of confidentiality. The external auditor had a rectification obligation, which is to say that if statements were made that provided a materially inaccurate presentation of the facts in relation to the financial statement or the auditor's report, PwC would request them to be corrected either during the meeting or before the final adoption of the minutes of the meeting. Mr Van Rooij stated that the matters, including the contents of the financial statements and the quality of the system of internal control, which had been discussed in further detail by the Supervisory Board and the Management Board in this meeting, and which had been reported in the audit report, had been correctly represented by the chairman.

The format of the unqualified auditor's report on the financial statements for 2016, which had been issued on 16 March 2017, was the same as last year. Adjustments had taken place of the amounts in the financial statements and the formulation of the key focus areas of the audit, which was more detailed. The audit plan including the risk and focus areas, including fraud, had been discussed with the Audit Committee. A summary of the audit approach was included in the auditor's report. On the basis of the internal controls applied by the company itself, the procedures were selected on the basis of the risks assessed for the financial statements as a whole and the internal controls were tested.

The materiality for the financial statements as a whole was set at € 4 million, based on 1% of net revenue. This percentage had been increased by 0.25% compared with last year as a result of greater insight into the organisation and given the size of the company. The indicator profit before taxation was not included in materiality, as this would lead to substantial fluctuations from year to year. The materiality for the procedures performed at the subsidiaries was at a lower level.

In addition to the audit at Matratzen Concord GmbH, the scoping was extended to audits at El Gigante del Colchón in Spain and Matratzen Concord in Austria. The size and the contribution to net revenue, the balance sheet total and profit before taxation were significant indicators for the scoping. Under the supervision of the group team, close cooperation took place with the local auditors. The group team was physically present at the concluding meeting on the audits of Matratzen Concord and attended the concluding meeting on the audit of El Gigante del Colchón by telephone.
As the procedures and processes are automated to a high degree, IT specialists were also included in the audit team as well as specialists in the areas of taxation and employee benefits.

The key focus areas in the audit were the accuracy of the net revenue and the existence and valuation of the inventories. Net revenue was a significant key figure for assessing the financial performance of the organisation. In order to determine the accuracy of the net revenue, the internal control was tested by means of the three-way match method. The Information Technology General Controls (ITGC) were reviewed as a precondition for this data analysis tooling. Further, guiding analytical reviews were performed on the realised net revenue by means of comparison between stores. The outcomes of those procedures determined the substantive procedures, which tested mainly individual sales transactions. With regard to the existence and the valuation of the inventories, testing took place of the periodic inventory counts implemented by management and the automated processing of inventory movements as a result of the sales transactions (three-way match testing). On the basis of a selection of stores and distribution centres, the auditors attended inventory counts at various times during the year to audit the counts performed internally. The outcomes were compared with the counts performed by staff. For the valuation of inventories, substantive procedures were performed in respect of historical costs, realised margins and the valuation of the obsolescent inventories. Historical cost was tested by means of sampling as part of which the recognised cost was reconciled with the purchase invoice and other data.

The auditor considered the tone of the Management Board in the annual report to be appropriate and had determined that the required disclosures on Corporate Governance had been included in the annual report and that the annual report was consistent with the financial statements. The reconciliation between the financial information in the annual report and the disclosures in the financial statements, the procedures concerning tests of details and internal management reports had been made in detail. Specialists in the field of remuneration also read the annual report and the observations on the annual report had been shared with the management. The description of the risk management and control system included in the annual report was not inconsistent with the outcomes of the financial statements audit. The main risks that are considered to be relevant for Beter Bed Holding N.V. on the basis of the financial statements were stated in the risk section.

Mr M. Coenen from Uden had the following questions:
a. Could an explanation be provided for the increase of the fees for the audit of the financial statements by more than 30% compared with 2015?
b. Had those costs increased gradually over the past five years?
c. Could information be provided on whether the increase of the costs would remain limited to 10% in the next two to three years?

Mr Koops replied to the questions:
a. These costs related to the procedures actually performed. The increase was the result of the extension of the scope. In addition, in close consultation with the Audit Committee, there had also been a clear focus on cybersecurity.
b. That was a discussion of a different order, because the costs relate to the scopes to be performed, as part of which the particular procedures for the auditor change every year as a result of the growth of the company. Additionally, as stated before, cybersecurity had become an increasingly important topic.
c. Nothing could be said about this, as there were contractual agreements with the auditor that were based on the scope. If the scope changed, the company would negotiate on fees with the auditor.

The Chairman thanked Mr Van Rooij for his presentation.

4.e. Adoption of the financial statements for the financial year 2016

Pursuant to article 32 (2) of the articles of association, the financial statements are adopted by the Annual General Meeting. There were no further questions on this topic. The Chairman submitted this agenda item to the vote.

There being no votes against this agenda item or abstentions, the financial statements for the financial year 2016 were adopted unanimously.

5. Dividend policy

Beter Bed Holding N.V.'s dividend policy, which was approved by the Annual General Meeting on 27 April 2005, focuses on maximising shareholder return while at the same time maintaining a solid capital position. The company's target is to pay out at least 50% of net profit to the shareholders, subject to conditions in the form of an interim dividend following the publication of the third-quarter results and a final dividend following approval of the dividend proposal by the Annual General Meeting. The payment of dividend may not result in the company's solvency ratio being lower than 30% on any date of publication. The net interest-bearing debt/EBITDA ratio must not exceed two. Each year, with the consent of the Supervisory Board, the Management Board determines what portion of the profit is to be retained. The decision to pay an interim dividend is also subject to the approval of the Supervisory Board.

The dividend policy was unchanged.

6. Dividend proposal for 2016

In November 2016, Beter Bed Holding N.V. paid an interim dividend of € 0.34 per share. Based on the net profit of € 19.0 million for the 2016 financial year and based on the policy described above, the Supervisory Board proposed to pay a final dividend of € 0.40 per share, in accordance with the Management Board's proposal. This would bring the total dividend for 2016 to € 0.74, i.e. 85% of net profit. The dividend would be made payable on 8 June 2017.
By way of illustration, a bar chart showing the ratio between earnings per share and the dividend per share since 2006 was presented.

Mr M. Coenen from Uden asked whether instead of a cash dividend, a proposal for an optional cash or stock dividend could be presented to the shareholders. The Chairman thanked Mr Coenen for the suggestion, but no optional cash or stock dividend would be applied for the time being.

There being no votes against this proposal or abstentions, the dividend proposal for 2016 was approved and would be announced in a press release on the day after the Annual General Meeting.

7. Corporate Governance

The Supervisory Board and the Management Board endorse the principles for good corporate governance as laid down in the Dutch Corporate Governance Code in December 2008. The Code was updated in December 2016. This new Code would be reported on in the annual report 2017. Reference was made to the annual report website or pages 45 to 48 of the annual report.

A complete list of all the best practice provisions, including whether or not the company complies with each specific provision, is available on the company website. There were no changes in the departures from the best practice provisions compared with last year. In connection with the revised Code and the growth of the company the establishment of an internal audit function was being reconsidered.

There were no questions or comments.

8.a. Discharge of the Management Board from liability in respect of their management

There being no questions or comments on this agenda item, the Chairman submitted it to the vote.

Mr Van Bork stated the results of the voting instructions for all agenda items put to the vote. The results of the proxy votes were recorded in the minutes for each agenda item.

Further to this explanation, Mr M. Coenen from Uden asked whether an insight could be provided into where the votes cast against the proposals came from and whether these were foreign votes that did not properly understand the Dutch policy? Mr Van Bork could only state that these votes were cast by investors via banks and affiliated institutions abroad, but not by whom those votes had been cast. Traditionally, American investors voted against items 8a, 8b, 12, 13, 14 and 15. Notably, this had not been the case for agenda items 12 and 13.

Mr Van Bork stated that 30,000 votes against the proposal had been cast by Caceis Bank for this agenda item. There were no other votes against this agenda item or abstentions. A majority of votes (99.78%) approved the discharge of the members of the Management Board from liability in respect of their management.

8.b. Discharge of the Supervisory Board from liability in respect of their supervision

There being no questions or comments on this agenda item, the Chairman submitted it to the vote.

As in agenda item 8a, Caceis Bank voted against the proposal with 30,000 shares.

A same majority as for the preceding agenda item approved the discharge of the members of the Supervisory Board from liability in respect of their supervision.

9. Proposal to reappoint Mr W.T.C. van der Vis as a Supervisory Director

Following the retirement by rotation schedule, Mr Van der Vis was set to step down as a Supervisory Director. Mr Van der Vis had completed a term as Supervisory Director. The Supervisory Board proposed to the Annual General Meeting that he be reappointed as a member of the Supervisory Board for a term ending after the first Annual General Meeting to be held after four years upon appointment. Mr Van der Vis' personality, retail expertise and experience in business at a national and international level as well as his current performance as a member of the Supervisory Board had motivated his nomination for reappointment.

When the proposal was put to the vote, the Chairman established that there were no votes against the proposal and no abstentions. Therefore, Mr Van der Vis was unanimously reappointed as Supervisory Director for a term of four years.

10. Proposal to reappoint Mr B.F. Koops as Statutory Director in the position of CFO

Mr Koops was appointed Statutory Director in the position of CFO at the Annual General Meeting held on 25 April 2013. The Supervisory Board was of the opinion that Mr Koops, in view of his wealth of experience as an expert director and as a financial specialist in the markets in which the company was active, as well as in view of his performance, was suited to continue his role as Statutory Director in the position of CFO. Pursuant to the provisions of Article 18 of the Articles of Association of Beter Bed Holding N.V., the Supervisory Board proposed to the Annual General Meeting that Mr B.F. Koops be reappointed as Statutory Director in the position of CFO of Beter Bed Holding N.V. on 18 May 2017, for a term ending after the first Annual General Meeting held four years after his appointment. The remuneration of Mr Koops would remain unchanged, in line with the remuneration policy approved by the Annual General Meeting held on 23 April 2009, and in line with the provisions of the contract of employment of Mr Koops adopted by the Annual General Meeting held on 25 April 2013.

There were no votes against the proposal or abstentions, and the Chairman therefore established that it had been unanimously resolved to reappoint Mr Koops as Statutory Director in the position of CFO of Beter Bed Holding N.V. He congratulated Mr Koops on his reappointment.

11. Reappointment of the external auditor

The Supervisory Board proposed, based in part on the recommendation of the Management Board and the Audit Committee, to reappoint PwC Accountants N.V. as external auditor for the audit of the 2017 financial statements. The audit would be performed under the responsibility of Mr W.C. van Rooij, partner at PwC Rotterdam.

The reappointment of the external auditor was put to the vote. There being no votes against the proposal or abstentions, PwC was reappointed for the audit of the 2017 financial statements.

12. Authorisation of the Management Board to issue (rights to) new shares

This is a fixed item on the annual agenda. Based on Article 10 of the Articles of Association, the Supervisory Board and the Management Board requested authorisation to issue new shares, and/or authorisation to grant rights to subscribe to shares, up to a maximum of 10% of the share capital outstanding at the time of the meeting. This authorisation was requested for a period of 16 months from the date of this Annual General Meeting and was subject to the approval of the Supervisory Board. If this authorisation was granted then the current authorisation would no longer be exercised.

When the proposal was put to the vote, the Chairman established that this agenda item had been unanimously adopted.

13. Authorisation of the Management Board to limit or exclude preferential rights

In connection with the previous item, authorisation was requested to limit or exclude the preferential rights as set out in Article 11 of the Articles of Association. This authorisation was requested for a period of 16 months from the date of this Annual General Meeting and was subject to the approval of the Supervisory Board. If this authorisation was granted then the current authorisation would no longer be exercised.

When the proposal was put to the vote, the Chairman established that there were no votes against the proposal and no abstentions and this agenda item had therefore been unanimously adopted.

14. Authorisation of the Management Board to acquire/repurchase shares in the company's own capital

This is also a fixed item on the annual agenda. It was requested that the Management Board be authorised on the basis of Article 13 of the Articles of Association to repurchase shares in the company's own capital up to a maximum of 10% of the number of shares outstanding. The purchase price must not exceed the average closing price on the five stock exchange trading days prior to the date of acquisition by more than 10%. Implementation would depend in part on the company's financial performance. This authorisation was requested for a period of 16 months from the date of this Annual General Meeting. If this authorisation was granted then the current authorisation would no longer be exercised.

This agenda item was put to the vote. Via the proxy votes, Citibank voted against this agenda item with 314,446 votes. This represented 2.31% of the votes. There being no further votes against this proposal or abstentions, this agenda item was adopted by a majority of votes (97.69%).

15. Cancellation of acquired shares

The Management Board, with the approval of the Supervisory Board, proposed that authorisation be granted for the reduction of the issued capital, as provided for in Article 15 of the Articles of Association, by the cancellation of the company's shares acquired pursuant to the authorisation granted under item 14 of the agenda. The Management Board would determine the number of shares to be cancelled pursuant to this authorisation, with a maximum of 10% of the number of outstanding shares equal to the maximum under item 14 of the agenda. The cancellation of shares could take place in one or more tranches. The cancellations would take place on the dates determined by the Management Board and with due regard for the mandatory two-month opposition period.

As in the preceding agenda item, Citibank voted against this agenda item with 314,446 votes via the proxy votes. There being no further votes against this proposal or abstentions, the Chairman established that a majority of votes (97.69%) had resolved to grant authorisation to the Management Board for the cancellation of the acquired shares up to a maximum of 10% of the number of shares outstanding.

16. Announcements

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17. Any other business

Mr M. Coenen from Uden:

a. Could more information be provided on the substantial participations that held more than 70% of the shares, the marketability of the shares in general and the risks of concentrations of power?
b. Could new supervisory directors be appointed from among the major shareholders?

The chairman replied to the questions.

a. The fact that a large number of major shareholders had remained committed to Beter Bed Holding N.V. over a long period of time was a sign that they had confidence in the company, were loyal and retained their confidence even in challenging times. This was a confirmation for the Supervisory Board that they were satisfied with the way in which the organisation was structured. As regards marketability, the Chairman's view was that the liquidity was sufficiently large to buy in or exit.
b. A profile was drawn up for the search for a new Supervisory Director. A broad selection gave rise to a proposal for candidates. The Supervisory Board was open to major shareholders wishing to contribute their views on this. The Supervisory Board likewise welcomed ideas or proposals from the shareholders in attendance at this meeting. The diversity and internationalisation of the Supervisory Board were being seriously looked into, and this would be included in the profile.

18. Closing

The Chairman thanked the shareholders present for coming and for their constructive contribution to the meeting. He hoped to be able to welcome the shareholders present again in a year's time. The Chairman brought the meeting to a close.

List of resolutions

- Adoption of the 2016 financial statements approved by the Supervisory Board.
- Approval of the cash dividend for the year 2016 at a total of € 0.74 per share.
- Discharge of the Management Board from liability in respect of their management.
- Discharge of the Supervisory Board from liability in respect of their supervision.
- Reappointment of Mr W.T.C. van der Vis as a Supervisory Director for a term of four years.
- Reappointment of Mr B.F. Koops as Statutory Director in the position of CFO for a term of four years.
- Reappointment of PwC as external auditor under the responsibility of Mr W.C. van Rooij RA (partner).
- Authorisation of the Management Board to issue new shares/rights to new shares up to a maximum of 10% of the number of shares outstanding.
- Authorisation of the Management Board to limit or exclude preferential rights.
- Authorisation of the Management Board to acquire/repurchase shares in the company's own capital up to a maximum of 10% of the number of shares outstanding.
- Authorisation of the Management Board to cancel acquired shares.

Mr D.R. Goeminne, Chairman	Mrs G. de Jong-Ruijs, Secretary