

Corporate Governance Code

The Supervisory Board and the Management Board subscribe to the principles for good corporate governance as laid down in the Dutch Corporate Governance Code.

Departures from the Corporate Governance Code

The company complies with all best practice provisions with the exception of the best practice provisions mentioned below. Where applicable, the reasons for not complying or not fully complying with a best practice provision are explained. In addition, details are provided for a number of best practice provisions regarding their application within the company.

Best practice II.2.3.

The components included in this best practice will be incorporated into the option program that is in operation within the company.

Best practice II.2.4.

Options are awarded at the discretion of the Supervisory Board. The best practice provision has been fulfilled with the options that have been awarded as of 2013. For options provided up to and including 2012 may be exercised earlier than after three years providing the profit target has been met. If a Management Board member is not eligible for reappointment at the conclusion of a first appointment period, his or her options may be exercised up to three months following termination of employment. Options can furthermore be exercised without special restrictions should an offer for all the shares of the company be fulfilled.

Best practice II.2.8.

The contract of employment with the Management Board members does not allow for the possibility of raising the maximum amount equal to one annual salary if the dismissal of the member concerned during the first appointment period should appear to be unreasonable. Beter Bed Holding N.V. thus applies a more stringent standard than laid down in the Corporate Governance Code.

Best practice II.2.10.

The company shall apply this best practice rule as follows. Variable remuneration may be awarded to individual Management Board members according to the evaluation and (partially) at the discretion of the Supervisory Board. In 2016 the variable remuneration for the Chief Executive Officer was maximised at 60% of his gross fixed annual salary; 50% of this is related to the quantitative targets set periodically by the Supervisory Board and the other 50% depends on the achievement of qualitative targets. In 2016 the variable remuneration for the Chief Financial Officer was maximised at 50% of his fixed annual salary; 40% of this is related to achieving quantitative targets and the remaining 60% is related to achieving qualitative targets. The Supervisory Board can, at its discretion and only in the event of special circumstances, decide to adjust the variable remuneration.

Best practice III.4.3.

The position of Secretary of the company will be fulfilled by an employee of the company, currently the Group Controller.

Best practice III.5.14.

The Selection and Appointment Committee will be formed by the entire Supervisory Board in view of the company's size.

Best practice III.6.4.

There were no transactions in 2016 between the company and natural or legal persons holding at least 10% of the shares in the company that are of material significance to the company and/or the persons concerned.

The best practice provisions in section III.8, 'one-tier management structure', and section IV.2, 'certification of shares', do not apply to the company.

Best practice IV.3.1.

Webcasting will not be used to broadcast analysts' meetings and other meetings for the time being due to cost considerations. The dates of the meetings with analysts will be published on the website in advance and the presentation will be made available on the website before the meeting.

Best practice IV.3.11.

The company has no outstanding or potential protection measures against a takeover of control of the company.

Best practice V.3.1. to V.3.3.

The best practice provisions in section V.3. ('internal audit function') do not apply to the company, as the company, in view of its size, does not have an internal audit function. In accordance with best practice provision V.3.3., the Audit Committee reviews annually the need for an internal auditor.

The full text of the Dutch Corporate Governance Code is available on internet at

www.commissiecorporategovernance.nl.