

Remuneration report

Remuneration policy

The current remuneration policy was approved by the Annual General Meeting in 2016. This policy is published on the company's website as part of the Remuneration Report. The Remuneration Committee advises the Supervisory Board when it is formulating the remuneration policy and determining the individual remuneration of the Management Board.

The objective of the remuneration policy is to recruit, motivate and retain qualified persons as Management Board members, who enable Beter Bed Holding N.V. to achieve its strategic and operational objectives.

The remuneration policy is enterprising in nature, but it also must be reasonably in ratio with the other members of management, all of the foregoing taking into consideration the social context, corporate governance structure and the interests of the stakeholders in Beter Bed Holding.

Remuneration of the Management Board

The remuneration of the Management Board consist of the following competitive elements:

- A fixed salary.
- A pension scheme.
- A variable remuneration.
- Options on shares.
- Other employment benefits.

Fixed salary

The market terms are determined on the basis of knowledge, insight and experience of the individual Supervisory Directors by means of a benchmark that the Supervisory Board conducts once every three years with a reference group of approximately ten comparable companies.

Pension scheme

The pension scheme is a defined contribution scheme. The percentage of the contribution is determined by investigating the situation at other companies, in which context the members of the Supervisory Board are involved, in addition to the maximum permitted for tax purposes in that respect. The CEO and the CFO received a contribution for 2018 equal to 30% and 25% of the fixed salary, respectively.

Variable remuneration

The variable remuneration is largely profit-related and is partially at the Supervisory Board's discretion.

In 2018, the maximum variable remuneration for the CEO was equal to 60% of the gross fixed annual salary (split into 50% for quantitative objectives and 50% for qualitative objectives). For the CFO the maximum variable remuneration was equal to 50% of the gross fixed annual salary (split into 40% for quantitative objectives and 60% for qualitative objectives).

The level of the variable remuneration in 2018 was agreed in 2018 for both the CEO and the CFO upon their appointment. The variable remuneration reported for 2018 is the contractually agreed, guaranteed bonus for 2018.

The budget is set at a level that the Supervisory Board considers challenging but achievable at the time at which it is set. The evaluation of the extent to which the quantitative objectives have been met has taken into consideration – and will take into consideration in the future – the extent to which there can be deemed to be normal market conditions and the extent to which there has been sound business practice.

The following table provides an overview of the (former) Management of the Board for 2018.

in thousand €	Total	Salary	Pension	Variable remuneration	Employee stock options ¹
A.J.G.P.M. Kruijssen ²	612	338	101	142	31
H.G. van den Ochtend ³	149	85	21	43	-
B.F. Koops ⁴	186	149	37	-	-

1 Number of options granted multiplied by the value of the option at the time of granting.

2 As of 1 April 2018.

3 As of 1 September 2018.

4 Up to and including 31 July 2018.

Options on shares

Options on shares are used as a long-term incentive. Options are granted not only to the Management Board, but also to the management teams in the various formats. For the [share option scheme rules](#), see the company's corporate website.

If option rights under options series as from 2016 are exercised, the members of the Management Board must use the proceeds obtained in doing so to purchase shares in Beter Bed Holding. Those shares are subsequently required to be held for a period of four years by the members of the Management Board. This ensures that a portion of the variable remuneration is linked to long-term value creation.

'Change of control' clauses have not been included in the Management Board members' contracts. However, when a bid for all the shares in the company is declared unconditional all options may be exercised, regardless of the status of the realisation of the objectives.

The Remuneration Committee used the scenario analyses referred to in Corporate Governance Code best practice 3.4.1 when it formulated the remuneration policy and determined the individual remuneration.

Mr Kruijssen received a one-off award of 100,000 signing options when he took up his position as CEO. They vest in 36 monthly instalments with effect from 1 April 2018. The option right can be exercised (at an exercise price of € 13.06 per option) during a period of 12 months after the end of the vesting period.

Other employment benefits

Management Board members have a lease car at their disposal or receive an allowance for mobility cost.

Remuneration of the Supervisory Board

The following remunerations have applied since 19 May 2015:

- Supervisory Directors' fee: € 21,000.
- Remuneration for participation in a committee: € 4,500.
- Extra remuneration for chairmanship: € 10,000.

The remuneration of the Supervisory Board is evaluated every three years. In 2018 the remuneration (in euros) was as follows:

Supervisory Director	Supervisory Board	Audit Committee	Remuneration Committee	Chairman	Total 2018	Total 2017
D.R. Goeminne	21,000	4,500	4,500	10,000	40,000	40,000
H.C.M. Vermeulen	14,000	-	3,000	-	17,000	-
A. Beyens	1,750	375	375	-	2,500	-
P.C. Boone	1,750	375	375	-	2,500	-
B.E. Karis	1,750	375	375	-	2,500	-
E.A. de Groot	19,250	4,125	4,125	-	27,500	30,000
W.T.C. van der Vis	19,250	4,125	4,125	-	27,500	30,000
A.J.L. Slippens	7,000	-	1,500	-	8,500	25,500