

## Agenda Annual General Meeting Beter Bed Holding N.V.

**Wednesday, 13 May 2020 at 14.00 hours CET – Banning Advocaten, Spinhuiswal 2, 's-Hertogenbosch (The Netherlands)**

1. Opening.

### **Review of the financial year 2019**

2. Report of the Management Board for the financial year 2019.
3. Report of the Supervisory Board for the financial year 2019.
4. Dividend policy and distribution.
5. Remuneration
  - a. Remuneration policy for the financial year 2019.
  - b. remuneration report for the financial year 2019 (resolution required).

### **Financial statements 2019**

6. Presentation of the audit of the financial statements 2019.
7. Adoption of the financial statements for the financial year 2019 (resolution required).
8. Release from liability of the members of the Management Board for the management conducted (resolution required).
9. Release from liability of the members of the Supervisory Board for the supervision conducted (resolution required).

### **Remuneration policy**

10. Adjustment of the Remuneration policy for the Management Board (resolution required – qualified majority of  $\frac{3}{4}$  of the votes cast at the meeting).
11. Adjustment of the Remuneration policy for the Supervisory Board (resolution required – qualified majority of  $\frac{3}{4}$  of the votes cast at the meeting).

### **Composition of the Management Board**

12. Appointment of Mrs G.E.A. Reijnen as a member of the Management Board (resolution required).

### **Composition of the Supervisory Board**

13. Appointment of Mrs B.M.A. van Hussen as a member of the Supervisory Board (resolution required).
14. Appointment of Mrs M.C. Schipperheijn as a member of the Supervisory Board (resolution required).
15. Reappointment of the external auditor (resolution required).

### **Authorisation of the Management Board**

16. Authorisation of the Management Board to have the Company acquire its own shares (resolution required).
17. 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 (resolution required).
18. Authorisation of the Management Board to restrict or exclude pre-emptive rights in connection with agenda item 17 (resolution required).
19. Authorisation of the Management Board to cancel acquired shares (resolution required).
20. Announcements.
21. Any other business.
22. Closing.

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# Notes to the Agenda of the Annual General Meeting

## 4. Dividend policy and distribution

The dividend policy of Beter Bed Holding N.V. remains unchanged. A short explanation can be found on page 15 of the annual report 2019 (eco version). The results in the 2019 financial year do not permit a distribution of dividend, as the conditions set in the dividend policy cannot be met and no profit was realised in the 2019 financial year. There will also be no payment from the distributable portion of the Company's equity.

## 5a. Remuneration policy for the financial year 2019

An overview of the Remuneration policy for Management Board and Supervisory Board can be found on page 49 and 50 of the annual report 2019 (eco version). There were no changes to this policy in 2019.

## 5b. Remuneration report for the financial year 2019

In accordance with article 2:135b sub 2 of the Dutch Civil Code (DCC) the remuneration report needs to be presented to the Annual General Meeting for an advisory vote. The remuneration report for the financial year 2019 can be found on page 49 et seq. of the annual report 2019 (eco version). The shareholders are requested to vote in favour of the remuneration report.

## 10. Adjustment of the Remuneration policy for the Management Board

On 1 December 2019 an implementation of the EU Directive as regards the encouragement of long-term shareholder engagement has been incorporated into Dutch law. The Remuneration Committee has formulated a new Remuneration policy which reflects the reporting requirements as provided by article 2:135a DCC implementing the EU Shareholder Rights Directive II (SRD II). One of the key objectives of the SRD II is to instil greater transparency for company stakeholders.

In order to amend the Remuneration policy to align this with the new legislation, it is hereby proposed to the General Meeting to adjust the Remuneration policy for the members of the Management Board pursuant to the provisions of article 19 of the articles of association of Beter Bed Holding N.V. and in accordance with article 2:135a sub 6 DCC.

The proposed Remuneration policy is enterprising by nature, offering incentives to reward the achievement of operational and strategic targets on both the short and long term. These incentives support a focus on performance to ensure that the Management Board reaches the annual expected level of performance, while bearing in mind the sustainability of the Company. The Remuneration policy is internally aligned, following the remuneration principles that apply more broadly within the Company. This provides a shared sense of purpose and direction at the different management levels and a shared reward, when success is achieved. Internal consistency is assured by assessing internal pay ratios to reflect the required competencies and responsibilities at each level.

The proposed remuneration package of the Management Board is composed of the following elements:

- Base salary.
- Variable remuneration, i.e.:
  - Performance related short-term incentive, delivered in cash.
  - Performance related long-term incentive, delivered in shares.
- Pension benefits.
- Other employment benefits.

The proposed Remuneration policy is designed to put a substantial proportion of the Management Board's remuneration package "at risk" in the form of variable pay. The remuneration structure promotes long-term share ownership of executives. The Supervisory Board expects Management Board members to retain vested shares and encourages investment in the Company's shares.

The main innovation in this proposed Remuneration policy is the introduction of a new long-term incentive. The currently effective share option plan has proven ineffective as a remuneration instrument, as it has not led to actual pay out over the past few years. It is replaced by a performance share plan that sharpens the focus on strategic targets and long-term value creation. In shareholder consultations the Supervisory Board has received support for this adjustment.

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The short-term incentive rewards achievement of predefined operational objectives that are considered crucial to achieving the strategic goals of the Company over a 1 year period. At the beginning of each year the Supervisory Board selects specific performance indicators, reflecting current operational priorities, and assigns a weighting and a target level to each indicator. Performance below threshold level is not rewarded.

The Supervisory Board has the authority to adjust the pay out or vesting of variable remuneration of the Management Board if the result as calculated under the proposed Remuneration policy is not reasonable or fair under the prevailing circumstances.

The levels of total direct remuneration are based on the knowledge, insight and experience of the individual and are validated by an independent advisor.

A copy of the revised Remuneration policy is attached to the Explanatory Notes in Annexe I.

The Works Council has been given the opportunity to render an advice and this advice was positive (article 2:135a sub 3 DCC).

### **11. Adjustment of the Remuneration policy for the Supervisory Board**

Hereby pursuant to the provisions of article 28 of the articles of association of Beter Bed Holding N.V. and in accordance with article 2:135a sub 6 DCC, it is hereby proposed to the General Meeting to amend the Remuneration policy for the members of the Supervisory Board to align the Remuneration policy for the Supervisory Board to the EU Directive as following.

The objective of this proposed Remuneration policy is to recruit, motivate and retain qualified persons as Supervisory Board members, who supervise and support Beter Bed Holding N.V. in the achievement of its strategic objectives and realise the sustainable value creation that the Company strives for.

To this end, the proposed Remuneration policy offers Supervisory Board members a remuneration package that reflects the time spent and responsibility of the role. A reference point for an adequate remuneration level and fitting remuneration structure is derived from a benchmark of Dutch listed companies of comparable size and complexity with a two-tier board structure.

Remuneration of the Supervisory Board is not dependent on the results of Beter Bed Holding N.V. The proposed Remuneration policy offers fixed annual fees in cash only:

- A base fee for all members of the Supervisory Board;
- An additional base fee for the Chair of the Supervisory Board.

The remuneration will be concentrated in one fixed annual all-in fee, instead of the combination previously used, consisting of a fixed base and additional committee fees. A uniform fee promotes team work and an equal sharing of the work load in the board.

The Chair of the Supervisory Board is granted an all-in fee of € 50,000 a year, compared to a total remuneration including committee fees of € 40,000 previously. Regular members of the Supervisory Board receive € 40,000, compared to a total remuneration of € 30,000 previously. Travel expenses and facilities for members of the Supervisory Board are borne by the Company and reviewed by the Audit Committee.

The new Remuneration policy which is presented for adoption, has been drafted in accordance with article 2:135a sub 6 DCC. In accordance with article 2:145 sub 2 in conjunction with article 2:135a sub 2 DCC the Remuneration policy of the Supervisory Board has to be presented to the Annual General Meeting at least every 4 years after adoption, to be adopted again by the Annual General Meeting.

A copy of the revised Remuneration policy is attached to the Explanatory Notes in Annexe II.

The Works Council has been given the opportunity to render an advice and this advice was positive (article 2:135a sub 3 DCC).

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## **12. Appointment of Mrs G.E.A. Reijnen as a member of the Management Board**

Pursuant to the provisions of article 18.1 of the articles of association of Beter Bed Holding N.V., the Supervisory Board has recommended to appoint Mrs Gabrielle Reijnen as a Statutory Director in the position of CFO at the Annual General Meeting for a term ending on conclusion of the first Annual General Meeting to be held after her four-year term has elapsed.

In the Annual General Meeting of 25 April 2019, Mrs Reijnen was appointed as a Supervisory Director and Chair of the Audit Committee. As per 12 December 2019 Mrs Reijnen stepped down as Supervisory Director in order to accept the role of CFO of Beter Bed Holding N.V. In view of Mrs Reijnen's years of experience in finance, M&A advisory / corporate finance, restructuring, risk management, corporate governance and compliance, and the way she fulfils her role as CFO, the Supervisory Board considers Mrs Reijnen to be qualified to carry out her responsibilities as Statutory Director.

For further information about Mrs Reijnen, reference is made to her biography, as reflected on page 14 of the annual report 2019 (eco version).

Mrs Reijnen will receive a base annual salary of € 300,000 with pension and benefits in line with Remuneration policy of Beter Bed Holding N.V. In addition, and also consistent with the Remuneration policy of the Company, she will participate in the Management Board's short-term incentive scheme and the Management Board's long-term incentive scheme. On the occasion of her appointment, and in line with the Remuneration policy of the Company, Mrs Reijnen was awarded a single grant of 100,000 signing options. The following rules apply to the allocated signing options: (i) the exercise price of the option is the average closing price of the Beter Bed Holding share on 5 working days before the date of grant; (ii) vesting will be effected over three years (the vesting period) in 36 monthly instalments, commencing on the date of grant; (iii) exercise of the options may be effected during a period of 12 months (the exercise period) after completion of the vesting period.

The Works Council has been given the opportunity to render an advice with reference to this proposed appointment and this advice was positive.

## **13. Appointment of Mrs B.M.A. van Hussen as a member of the Supervisory Board**

Under the provisions of article 25 of the articles of association of Beter Bed Holding N.V., the Supervisory Board nominates for appointment Mrs Van Hussen as Supervisory Director with effect from the date on which the AGM is held, for a term ending on conclusion of the Annual General Meeting to be held after her four-year term has elapsed.

### **Curriculum Vitae Mrs B.M.A. van Hussen (1971)**

Barbara van Hussen earned a master's degree in law studies with a specialisation in private law, at the Erasmus University Rotterdam, the Netherlands and followed postgraduate programs in corporate law and strategic leadership at respectively Radboud University in Nijmegen and Harvard Business School in the US. Until 2017 she worked as a lawyer in the Corporate Law practice group at DLA Piper, of which from 2014 to 2016 as a director on the International Board. Since 2018, Mrs Van Hussen has been a lawyer and partner at JanssenBroekhuysen Advocaten.

She fulfils various (guest) teaching positions at Leiden University, Rotterdam School of Management and Nyenrode and was chair of the Supervisory Board of Blokker Holding from 2018 to 2019. In addition, Mrs Van Hussen held and holds various executive and supervisory positions at, among others, the Law Firm School, Stichting de Volkskrant, Erasmus Alumni Association, Erasmus Trust Fund Foundation and Foundation Het Potentieel Pakken. She is also regularly appointed as an operating officer by the Enterprise Chamber of the Amsterdam Court of Appeal. In November 2020, she will join the board of the Ahold Delhaize Continuity Foundation.

Because of her experience as a partner lawyer in, among others, Labour, Company Law, M&A and Private Equity, as a university (guest) lecturer in Leiden, Amsterdam and Utrecht, her additional activities as director and chair of the Supervisory Board of Blokker Holding, the Supervisory Board is of the opinion that Mrs Van Hussen is a legal expert with the right competences to join the Supervisory Board of Beter Bed Holding N.V.

Mrs Van Hussen holds Dutch nationality and owns no shares in Beter Bed Holding N.V.

A Contract of Engagement has been concluded with Mrs Van Hussen in line with the current Remuneration policy.

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The Works Council has been given the opportunity to render an advice with reference to this proposed appointment and this advice was positive.

#### **14. Appointment of Mrs M.C. Schipperheijn as a member of the Supervisory Board**

Under the provisions of article 25 of the articles of association of Beter Bed Holding N.V., the Supervisory Board nominates for appointment Mrs Schipperheijn as Supervisory Director with effect from the date on which the Annual General Meeting is held, for a term ending on conclusion of the Annual General Meeting to be held after her four-year term has elapsed.

##### **Curriculum Vitae Mrs M.C. Schipperheijn (1975)**

Mrs Schipperheijn holds a Master of Science in Business Economics from Maastricht University and subsequently completed a study as a registered accountant (NBA) at Tilburg University in 2002. She has also followed a Presidents Program at Singularity University. Until 2002, Mrs Schipperheijn worked as a Chartered Accountant at KPMG, after which she held various international financial management and board positions at Shell and joint ventures of Shell until 2017. Until September 2019, she worked as CFO and member of the board at Euroports.

Because of her extensive international experience in the field of audit, financing, corporate governance and compliance as well as her experience as a member of the Supervisory Board of Maastricht University Fund and Hague Health Foundation where she also was a member of the Audit Committee, Mrs Schipperheijn has the necessary financial expertise and the right competences to not only become a member of the Supervisory Board of Beter Bed Holding N.V., but also to take up the position as Chair of the Audit Committee. She will succeed Pieter Boone, who temporarily held this position after Gabrielle Reijnen took on the position of CFO.

Mrs Schipperheijn holds Dutch nationality and owns no shares in Beter Bed Holding N.V.

A Contract of Engagement has been concluded with Mrs Schipperheijn in line with the Remuneration policy.

The Works Council has been given the opportunity to render an advice with reference to this proposed appointment and this advice was positive.

#### **15. Reappointment of the external auditor**

The Supervisory Board proposes, based in part on the recommendation of the Management Board and the Audit Committee, to reappoint PwC Accountants as external auditor to conduct the audit of the 2020 financial statements of Beter Bed Holding N.V. For the last five years, the audit was conducted by Mr W.C. van Rooij, partner at PwC Rotterdam. Due to the obligatory audit circulation, Mr P.J.R.M. Wijffels, partner at PwC will be conducting the audit as of 2020.

##### **Curriculum Vitae Mr P.J.R.M. Wijffels (1969)**

Paulus Wijffels has graduated from the Erasmus University in Rotterdam with a master degree in Business Administration and a post-master public accounting degree at the Tilburg University. He has over 20 years of international audit experience in the areas of IFRS, U.S. GAAP, Dutch GAAP and Sarbanes-Oxley compliance. Most of his current and past clients are large international and Dutch listed clients in the Rotterdam area. He has significant experience in the audit of shared service centres and the coordination of large European audits. Furthermore he is the Leader of the South Holland Business Unit and as such, is also part of the Assurance Management Team of the Dutch firm.

#### **16. Authorisation of the Management Board to have the Company acquire its own shares**

It is requested that the Management Board be authorised on the basis of article 13 of the articles of association of Beter Bed Holding N.V. 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%. This authorisation is requested for a period of 18 months from the date of this Annual General Meeting. If this authorisation is granted then the current authorisation shall no longer be exercised.

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**17. Authorisation of the Management Board to issue ordinary shares or to grant rights to subscribe for ordinary shares up to 10% for general purposes, including but not limited to the execution of Beter Bed Holding N.V.'s Performance Stock Unit Plan**

Based on article 10 of the articles of association of Beter Bed Holding N.V., the Supervisory Board and the Management Board request 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 for general purposes, including but not limited to the execution of Beter Bed Holding N.V.'s Performance Stock Unit Plan. This authorisation is requested for a period of 18 months from the date of this Annual General Meeting and is subject to the approval of the Supervisory Board. If this authorisation is granted then the current authorisation shall no longer be exercised.

**18. Authorisation of the Management Board to restrict or exclude pre-emptive rights in connection with agenda item 17**

In connection with the previous item, authorisation is requested to limit or exclude the preferential rights as set out in article 11 of the articles of association of Beter Bed Holding N.V. This authorisation is requested for a period of 18 months from the date of this Annual General Meeting and is subject to the approval of the Supervisory Board. If this authorisation is granted then the current authorisation shall no longer be exercised.

**19. Authorisation of the Management Board to cancel acquired shares**

The Management Board, with the approval of the Supervisory Board, proposes that authorisation be granted for the reduction of the issued capital, as provided for in article 15 of the articles of association of Beter Bed Holding N.V., by the cancellation of the Company's shares acquired pursuant to the authorisation granted under item 16 of the agenda. The Management Board shall 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 16 of the agenda. The cancellation of shares can take place in one or more tranches. The cancellations will take place on the dates determined by the Management Board and with due regard for the mandatory two-month opposition period.

**COVID-19 (Coronavirus)**

Due to the presence of the COVID-19 (Coronavirus) in the Netherlands, gatherings of people are prohibited until the first of June. Our priority is to ensure both everyone's safety as well as information rights. To mitigate potential health risks, Beter Bed Holding N.V. makes the unusual but strong request to its shareholders not to physically attend the General Meeting in person, but instead to attend the Annual General Meeting virtually through a live webcast. The only way shareholders can exercise their voting rights at the Annual General Meeting is by giving a proxy with voting instruction. We have extended the deadline for submitting such instructions **before 11 May 2020 17.00 hours CET**. Both procedures are addressed in our Notice for the Annual General Meeting.

Beter Bed Holding N.V. is inviting shareholders to submit up to five questions in relation to the agenda items prior to the meeting. Shareholders are invited to address any such questions to the Company Secretary by e-mail at [bbholding@beterbed.nl](mailto:bbholding@beterbed.nl) by 4 May 2020 **before 17.00 hours CET**, hereby including your name and shareholder's certificate number, which can be obtained from your bank. Beter Bed Holding N.V. may bundle questions and/or postpone answering questions if answering the number of questions exceeds the time frame of the Annual General Meeting.

Beter Bed Holding N.V. is monitoring the situation closely, and is bound by any further measures imposed by the Dutch government. Beter Bed Holding N.V. advises shareholders to regularly check the Company's website for any further updates. If necessary, all shareholders will be informed without undue delay through our website before the Annual General Meeting dated 13 May 2020. The latest information on the Annual General Meeting can be found on the Company's website [www.beterbedholding.com](http://www.beterbedholding.com). We apologise for any inconvenience, but believe that under the current circumstances this procedure is in the best interest of all stakeholders involved.

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## Annexe I

### Remuneration policy of the Management Board 2020

Beter Bed Holding ('Beter Bed' or 'the Company') has the clear ambition to translate the return to and improvement of profitable growth into sustainable value creation for all stakeholders of the Group. Its strategy is aimed at increasing market share, improving customer satisfaction and increasing online sales. A strong performance culture is supported by employee satisfaction and by achieving sustainability objectives and cost leadership. Specific objectives have been formulated for the mid-term in order to achieve this and provide guidance in setting this Remuneration policy ('the Policy').

#### Objectives of the Policy

The objective of this Policy is to recruit, motivate and retain qualified persons as Management Board members, who enable Beter Bed to achieve its strategic objectives and realise the sustainable value creation that the Company strives for. To this end, the Policy offers executives a competitive remuneration package. An external reference point for market competitive level and structure is derived from a benchmark of Dutch listed companies of comparable size and complexity.

The Policy is enterprising by nature, offering incentives to reward the achievement of operational and strategic targets on both the short- and long term. These incentives support a focus on performance to ensure that the Management Board reaches the annual expected level of performance, while bearing in mind the sustainability of the Company.

The Policy is internally aligned, following the remuneration principles that apply more broadly within the Company. This provides a shared sense of purpose and direction at the different management levels and a shared reward, when success is achieved. Internal consistency is assured by assessing internal pay ratios to reflect the required competencies and responsibilities at each level.

#### Considerations in setting the Policy

In setting this Policy, the Supervisory Board has taken into account:

- The social context in the Northwest European markets Beter Bed operates in.
- Principles and best practices of the Dutch Corporate Governance Code.
- The shareholder rights directive (EU2017/828) and its implementation in the Dutch law.
- Input of shareholders at the Annual General Meeting and in shareholder consultations.
- Input of the Works Council in regular consultations.

The main innovation in this Policy is the introduction of a new long-term incentive. The current effective share option plan has proven ineffective as a remuneration instrument, as it has not led to actual pay out of reward over the past few years. It is replaced by a performance share plan that sharpens the focus on strategic targets and long-term value creation. In shareholder consultations the Supervisory Board ('SB') has received support for this adjustment.

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	Remuneration policy 2020	Previous Policy
Base salary	Unchanged	Set by SB at competitive level
Short-term incentive (STI)	Unchanged	Cash bonus at target: 50% of base salary for the CFO, 60% for the CEO;
Long-term incentive (LTI)	Conditional performance related grant of shares, vesting after 3 years with an additional 2-year holding restriction	Grant of options, vesting after 3 years and exercisable 2 years after vesting

## Composition of the remuneration package

The remuneration package of the Management Board is composed of the following elements:

- Base salary.
- Variable remuneration, i.e.:
  - Performance related short-term incentive, delivered in cash.
  - Performance related long-term incentive, delivered in shares.
- Pension benefits.
- Other employment benefits.

The Policy is designed to put a substantial proportion of the Management Board’s remuneration package “at risk” in the form of variable pay. Short- and long-term variable remuneration at target for the CEO is equal to 52% of total direct remuneration (i.e. base salary plus variable remuneration) and for the CFO the variable component is 50%. The total value of remuneration that could be earned rises with the level of performance that is delivered and the relative proportion of variable pay in the package may increase or decrease accordingly.

## Remuneration reference levels

The levels of total direct remuneration are based on the knowledge, insight and experience of the individual and are validated by an independent advisor. A scenario analysis of the possible outcomes of the variable components and the impact on the Management Board members’ remuneration is conducted annually to minimise the risk that the performance criteria lead to inappropriate outcomes. The effect of different performance scenarios on the level and composition of remuneration has been analysed and the outcome has been taken into consideration by the Supervisory Board when reviewing the Management Board members’ remuneration.

## Base salary

The Supervisory Board sets a market competitive base salary level for each member of the Management Board. Salary levels are annually reviewed in the light of the market environment and the average salary adjustments for the employees in the Netherlands, without any commitment to increase. Once every three years the remuneration level is validated by a benchmark comparison.

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## Short-term variable remuneration

The short-term incentive rewards achievement of predefined operational objectives that are considered crucial to achieving the strategic goals of the Company over a one-year period. At the beginning of each year the Supervisory Board selects specific performance indicators, reflecting current operational priorities, and assigns a weighting and a target level to each indicator.

Performance targets must be realistic and sufficiently stretching. In addition to a specific target level for each performance indicator, the Supervisory Board sets a threshold performance level below which no pay-out is granted and a maximum performance level where maximum pay-out could be reached. Specific short-term target levels are not published ex-ante, as they are considered commercially sensitive. However, these targets are properly reviewed and accounted for ex-post.

Performance at the predefined target levels on all indicators results in pay-out in cash of 60% of base salary for the CEO and 50% for the CFO. Depending on the performance delivered, the actual pay-out may range from a threshold level of 80% to a maximum of 130% of target pay-out. Performance below threshold level is not rewarded.

## Long-term variable remuneration

The long-term incentive rewards members of the Management Board and senior management for the achievement of the Company's strategic objectives over a three-year period. The incentive is awarded in performance share units (PSUs) and facilitates share ownership. Participation aligns management with sustainability and long-term interest of the Company and with value creation for shareholders.

Members of the Management Board annually receive a conditional grant of shares to a value equivalent to 50% of base salary. The grant is conditional, based on:

- Performance delivered on predefined targets over a 3-year period.
- Continued employment until vesting date.

Each year at grant, the Supervisory Board sets performance conditions that reflect the intended long-term value creation and targets for the required performance levels. The performance conditions selected and their weighting in performance assessment will be published in the Remuneration report over the year that the conditional grant is made.

At vesting the performance delivered on each of the performance targets is assessed and accounted for. When the targets are fully met, 100% of the conditionally granted number of shares will vest. Depending on the actual performance delivered, vesting may range from 60% of the conditional grant at threshold level to a maximum of 140%. Vested shares are entitled to dividends in shares during the performance period. In case of a performance under threshold level, the grant will forfeit.

After vesting of the shares, a further two-year holding period applies. Board members may sell shares to cover applicable taxes due at vesting ('sell to cover').

In case a Management Board member leaves the Company before vesting due to retirement, permanent disability or death, all unvested performance shares will vest in full. When resignation is due to business disposition, collective dismissal or compromise agreement, the vesting is pro-rated for the period between grant and termination date. In case of voluntary resignation, all conditional shares will forfeit.

In case of a change of control, any long-term incentives granted to a Management Board member, shall be (deemed to be) vested, regardless of the status of the realisation of the objectives, and exercisable, if applicable, upon such change of control.

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### *Share participation*

The remuneration structure promotes long-term share ownership of executives. The Supervisory Board emphasises Management Board members to retain vested shares and encourages investment in the Company's shares.

### **Value adjustment and claw back of variable remuneration**

The Supervisory Board has the authority to adjust the pay-out or vesting of variable remuneration of the Management Board if the result as calculated under the Policy is not reasonable or fair under the prevailing circumstances.

In case of force majeure, serious illness, long-term absence or incapacity for work, the Supervisory Board will decide how the STI and the LTI are applied.

The Supervisory Board can reclaim in whole, or in part, any variable remuneration that has vested or has been paid out on the basis of incorrect information on the underlying performance achievement.

Any value adjustment or claw back is at the discretion of the Supervisory Board. It will be accounted for in the Remuneration report that will be submitted to the Annual General Meeting.

### **Pension benefits**

Members of the Management Board receive a contribution to their pension plan. The contribution is defined in a percentage of base salary, set by the Supervisory Board in line with market practice and according to fiscal regulations.

### **Other employment benefits**

In addition the Management Board members receive remuneration for items such as medical insurance, death and disability insurance and car allowances. They also benefit from directors' and officers' liability insurance coverage. These benefits are in line with market practice.

### **Derogation and deviation**

In the exceptional circumstances and to assure the viability of the Company or to serve its long-term interests and sustainability, the Supervisory Board may derogate temporarily from the Policy on base salary, variable remuneration and post-contract benefits as set out above. The derogation will be accounted for by the Supervisory Board who will submit the Policy to the Annual General Meeting as soon as reasonably possible.

When recruiting a new member for the Management Board, the Supervisory Board may, on top of the remuneration as set out above, grant a one-off payment to compensate for any rights to remuneration that the new member loses in the transition.

### **Contract**

Members of the Management Board are employed under management services agreement for the duration of their appointment, after which the agreement shall terminate automatically. The duration of the agreement can be no more than four years, as required by Dutch law. Management Board members may be re-appointed for another term of four years. The notice period for termination of the contract is 3 months for board members and 6 months for the Company. Severance pay will not exceed the annual salary.

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The nomination of any new member of the Management Board requires approval of the Annual General Meeting. Attached to the proposal for nomination is an outline of the contract and its conditions that the Annual General Meeting will consider in its approval.

### **Loans**

The Company does not provide loans, advance payments or guarantees to its Board members.

### **Implementation and duration of the Policy**

This Policy is prepared by the Remuneration Committee and is approved by the full Supervisory Board, before it is submitted for approval at the Annual General Meeting on 13 May 2020.

Following approval by the Annual General Meeting the Policy is published on the website of the Company and will be implemented from 1 January 2020 onward. The Policy has a maximum duration of four years and a new proposal will be submitted for approval at the Annual General Meeting in the spring of 2024 at the latest.

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## Annexe II

# Remuneration policy of the Supervisory Board

Beter Bed Holding ('Beter Bed' or 'the Company') has a very clear ambition to translate the return to and improvement of profitable growth into sustainable value creation for all stakeholders of the Group. Its strategy is aimed at increasing market share, improving customer satisfaction and increasing online sales. To supervise and advice management in the implementation of this strategy, Beter Bed requires a Supervisory Board with the required competences and experience on leadership level.

### Objectives of the Policy

The objective of this Remuneration policy ('the Policy') is to recruit, motivate and retain qualified persons as Supervisory Board members, who supervise and support Beter Bed in the achievement of its strategic objectives and realise the sustainable value creation that the Company strives for.

To this end, the Policy offers Supervisory Board members a remuneration package that reflects the time spent and responsibility of the role. A reference point for an adequate remuneration level and fitting remuneration structure is derived from a benchmark of Dutch listed companies of comparable size and complexity with a two-tier board structure.

### Considerations in setting the Policy

In setting this Policy, the Supervisory Board has taken into account:

- The social context in the Northwest European markets Beter Bed operates in.
- Principles and best practices of the Dutch Corporate Governance Code.
- The shareholder rights directive (EU2017/828) and its implementation in Dutch law.
- Input of shareholders at the Annual General Meeting and in shareholder consultations.
- Input of the Works Council in regular consultations.

### Composition of the remuneration package

Remuneration of the Supervisory Board is not dependent on the results of the Company. The Policy offers fixed annual fees in cash only:

- A base fee for all members of the Supervisory Board.
- An additional base fee for the chair of the Supervisory Board.

### Remuneration levels

In preparing this Policy the Supervisory Board has evaluated its remuneration. A benchmark comparison, using a reference group of fifteen Dutch listed small cap companies with two-tier board structure, indicates that an increase of the remuneration levels is warranted.

The Supervisory Board aims to compensate at a level below median. The remuneration will be concentrated in one fixed annual all-in fee, instead of the combination previously used, consisting of a fixed base and additional committee fees. A uniform fee promotes team work and an equal sharing of the work load in the board.

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The chair of the Supervisory Board is granted an all-in fee of € 50,000 a year, compared to a total remuneration including committee fees of € 40,000 previously. Regular members of the Supervisory Board receive € 40,000 including committee fees, compared to a total remuneration of € 30,000 previously.

### **Expenses**

Travel expenses and facilities for members of the Supervisory Board are borne by the Company and reviewed by the Audit Committee.

### **Loans**

The Company does not provide loans, advance payments or guarantees to its Board members.

### **Contract**

Members of the Supervisory Board are appointed on an assignment agreement for no more than four years, with the possibility of reappointment. The Supervisory Board submits proposals for (re)appointment to the Annual General Meeting.

### **Implementation and duration of the Policy**

This Policy is prepared by the Remuneration Committee and is approved by the full Supervisory Board, before it is submitted for approval at the Annual General Meeting on 13 May 2020.

Following approval by the Annual General Meeting the Policy is published on the website of the Company and will be implemented from 1 January 2020 onward. The Policy has a maximum duration of four years and a new proposal will be submitted for approval at the Annual General Meeting in the spring of 2024 at the latest.

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