



Remuneration Committee Regulations

The Remuneration Committee of Beter Bed Holding N.V. (“**Company**”) is comprised of Pieter Boone (chair), Barbara van Hussen and Bart Karis, and meets at least twice a year. Due to the Company's size, the Remuneration Committee is formed by the full membership of the Supervisory Board of the Company.

Introduction

- 1.1 These Remuneration Committee regulations have been drawn up by the Supervisory and adopted by the Supervisory Board on 14 May 2020 pursuant to clause 1.13 of the Regulations of the Supervisory Board.
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- 1.2 The Remuneration Committee is a standing committee of the Supervisory Board.
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- 1.3 Unless the context clearly indicates otherwise, references to words importing one gender shall include both genders.
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Composition

- 2.1 The Remuneration Committee of the Supervisory Board comprises at least [3]¹ members. All members are also members of the Supervisory Board. With regard to the independence of the members, article 1.5 of the regulations of the Supervisory Board applies mutatis mutandis.
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- 2.2 The chair of the Supervisory Board is a member of the Remuneration Committee by default, but never its chair. Nor will the chair of the Remuneration Committee be filled by a former member of the management board (*bestuur*) of the Company (hereinafter: the **Management Board**), or by a member of the Supervisory Board who is a member of the executive board of another listed company. The other members of the Remuneration Committee, including the chair, are elected and replaced by the Supervisory Board.
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- 2.3 The chair is primarily responsible for the proper functioning of the Remuneration Committee. He or she shall act as the spokesperson of the Remuneration Committee and shall be the main contact for the Supervisory Board.
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- 2.4 No more than one member of the Remuneration Committee can also be a member of the executive board of another Dutch listed company.
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¹ Please note that there is no legal requirement for the amount of members of the Remuneration Committee, but we suggest 3 members.

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- 2.5 Appointments of members of the Remuneration Committee are made for an indefinite term and depend in part on the composition of the Supervisory Board as a whole and other committees of the Supervisory Board.
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- 2.6 If a member of the Remuneration Committee is or becomes aware of any circumstance which may reasonably impair or affect his or her independence or the perception of his or her independence, that member will inform the Remuneration Committee promptly. The Remuneration Committee will then consult with the Supervisory Board to determine whether there is sufficient cause for that member to resign from, or terminate his or her membership of the Remuneration Committee.
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- 2.7 The secretary of the Supervisory Board shall act as secretary to the Remuneration Committee. He may delegate his duties, or parts thereof, under these regulations, to a deputy appointed by him in consultation with the chair of the Remuneration Committee.
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Responsibilities and powers

- 3.1 Notwithstanding article 1.12 of the regulations of the Supervisory Board, the Remuneration Committee advises the Supervisory Board and prepares decision-making by the Supervisory Board on the remuneration policy to be pursued by the Company.
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- 3.2 More specifically, the Remuneration Committee has the following responsibilities:
- 3.2.1 **The Remuneration of the Management Board:**
- (a) Drafting and submitting a clear and understandable proposal to the Supervisory Board concerning the remuneration policy to be pursued with regard to the Management Board, which policy, as well as significant changes to it, will be submitted for adoption to the Annual General Meeting of the Company (hereinafter: the **AGM**);
 - (b) The following aspects shall in any event be taken into consideration when formulating the remuneration policy:
 - i. the objectives for the strategy for the implementation of long-term value creation within the meaning of best practice provision 1.1.1 of the Dutch Corporate Governance Code;
 - ii. the scenario analyses carried out in advance;
 - iii. the pay ratios within the Company and its affiliated enterprise;
 - iv. the development of the market price of the shares;
 - v. an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
 - vi. if shares are being awarded, the terms and conditions governing this. Shares shall be held for at least five years after they are awarded; and
 - (c) if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded. Drafting and making proposals for the remuneration of the individual members of the Management Board for adoption by the Supervisory Board, which proposals must in any case cover:
 - i. the structure of the remuneration;
 - ii. the amount of the fixed salary, variable elements of remuneration such as bonuses and options, pension rights and/or other remuneration;
 - iii. the performance criteria on which the award of the elements of remuneration is based and assessment of these criteria in relation to the performance;
 - iv. the scenario analyses that are carried out; and
 - v. the pay ratios within the Company and its affiliated enterprise.
 - vi. all other relevant (employment) conditions, as required, such as severance arrangements, etc.;

- (d) When drafting the proposal for the remuneration of Management Board members, the Remuneration Committee shall take note of individual Management Board members' views with regard to the amount and structure of their own remuneration. The Remuneration Committee shall ask the members of the Management Board to pay attention to the aspects referred to in article 2.2 (b) of these Remuneration Committee Regulations;
- (e) The remuneration in the event of dismissal shall not exceed one year's salary (the 'fixed' remuneration component). Severance pay will not be awarded if the agreement is terminated early at the initiative of the Management Board member, or in the event of seriously culpable or negligent behavior on the part of the Management Board member.

3.2.2 **The remuneration of the Supervisory Board**

- (a) The Supervisory Board shall submit a clear and understandable proposal for its own appropriate remuneration to the AGM. The remuneration of Supervisory Board members shall promote an adequate performance of their role and shall not be dependent on the results of the Company.
- (b) The remuneration of the Supervisory Board members shall reflect the time spent and the responsibilities of their role.
- (c) Supervisory Board members may not be awarded remuneration in the form of shares and/or rights to shares.
- (d) Shares held by a Supervisory Board member in the Company shall be long-term investments.

3.3 **The Remuneration Report**

The Remuneration Committee shall prepare the remuneration report. This report shall in any event describe, in a transparent manner, in addition to the matters required by law²:

- i. how the remuneration policy has been implemented in the past financial year;
- ii. how the implementation of the remuneration policy contributes to long-term value creation;
- iii. that scenario analyses have been taken into consideration;
- iv. the pay ratios within the Company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year;
- v. in the event that a Management Board member receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and
- vi. in the event that a current or former Management Board member receives a severance payment, the reason for this payment.

3.4 The remuneration report referred to in article 3.3 contains a report of the way in which the remuneration policy of the Company was implemented in practice in the past financial year, and also contains a summary of the remuneration policy envisaged by the Supervisory Board for the coming financial year and subsequent years.

3.5 The main elements of the agreement of a Management Board member with the Company shall be published on the Company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the AGM where the appointment of the Management Board member will be proposed.

3.6 The Remuneration Committee has – at any time – the right to seek advice from internal and external experts and advisors on all kind of remuneration matters. If the Remuneration Committee makes use of the services of a remuneration consultant in carrying out its duties, it shall verify that the consultant concerned does not provide advice to the members of the Management Board.

² The legal requirements by law are stipulated in article 2:135b and article 2:383c to 2:383e Dutch Civil Code.

Meetings and decision-making

- 4.1 The Remuneration Committee meets as often as it considers necessary for the proper operation of the committee, but at least twice a year. In principle, the meetings will be held at the offices of the Company, but they can also be held elsewhere. Members of the Remuneration Committee may participate in the meetings, by telephone, videoconference or other electronic form of direct communication.
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- 4.2 The meetings of the Remuneration Committee will be called by the chair of the Remuneration Committee and/or the chair of the Supervisory Board. Insofar as practicable, the announcement and the agenda of matters for discussion will be sent to the members of the Remuneration Committee at the latest seven days before the start of the meeting. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda.
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- 4.3 The meeting of the Remuneration Committee assesses if and when members of the Management Board are to be invited to a meeting. The Remuneration Committee and the chair may request external advisors of the Company or its subsidiaries or other parties to be present at the meeting of the Remuneration Committee.
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- 4.4 The Remuneration Committee shall seek unanimity in decisions whenever possible. Decisions of the Remuneration Committee are taken by a simple majority of the votes cast. Each member of the Remuneration Committee has one vote. In the event of an equality of votes the vote cast by the chair of the Remuneration Committee will be decisive. The Remuneration Committee can only take decisions if a majority of the members of the Remuneration Committee in office is present or represented at the meeting.
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- 4.5 Meetings of the Remuneration Committee will be minuted by the secretary of the Remuneration Committee or a person to be designated by him/her. The minutes of the meeting will be adopted at the next meeting of the Remuneration Committee.
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Report to the Supervisory Board / AGM

- 5.1 The Remuneration Committee must inform the Supervisory Board in a clear and timely manner about the way it has used its powers and of major developments in the area of its responsibilities.
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- 5.2 The Remuneration Committee shall provide the Supervisory Board with a report of their deliberations and findings. In the report of the Supervisory Board it shall comment on how the duties of the committees were carried out in the financial year. In this report, the composition of the committees, the number of committee meetings and the main items discussed at the meetings shall be mentioned.
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- 5.3 The Supervisory Board can request the Remuneration Committee to carry out detailed studies of matters in connection with the remuneration policy, which requests must be met by the Remuneration Committee without delay.
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- 5.4 The chair of the Remuneration Committee (or – in his absence – one of the other Remuneration Committee members) will be available at the AGM for answering questions on the remuneration policy.
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5.5 Every Supervisory Board member shall have unrestricted access to all records of the Remuneration Committee.

Other matters

6.1 The Remuneration Committee can only exercise powers that have been delegated to it by the Supervisory Board, and can therefore never exercise powers extending beyond those of the Supervisory Board.

6.2 The Supervisory Board can at any time decide to withdraw and/or change the powers of the Remuneration Committee.

6.3 The Supervisory Board can depart from what is stipulated in these regulations to comply with statutory or regulatory requirements or if in its judgement significant circumstances provide a reason for doing so.

6.4 These Remuneration Committee regulations are complementary to the rules and regulations applicable to the members of the Supervisory Board under Dutch law, the articles of association and the Supervisory Board regulations. If and to the extent these Remuneration Committee regulations are inconsistent with Dutch law, the articles of association of the Supervisory Board regulations, these Remuneration Committee regulations shall not apply.

6.5 Disclosure will be made in the Company's annual report of the composition of the Remuneration Committee, the number of its meetings and, in outline, of the matters addressed in those meetings.

6.6 The remuneration report of the Supervisory Board, the regulations and the composition of the Remuneration Committee will be published on the Company's website.

6.7 The Remuneration Committee shall review and reassess the adequacy of these regulations annually, report its assessment to the Supervisory Board and recommend, where appropriate, any proposed changes to the Supervisory Board.

6.8 The articles 1.5, 1.11, 1.12, 1.13, of the regulations of the Supervisory Board apply mutatis mutandis to these regulations.

Governing Law

7.1 These Remuneration Committee regulations are governed by Dutch Law.
