



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

Held on Wednesday, 19 May 2015 at 2:00 p.m. in 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

Mr Goeminne called the meeting to order and welcomed the shareholders. Of the total of 21,905,562 shares outstanding, 15,391,542 shares (70.26%) were represented at this meeting. This number enabled legally valid resolutions to be taken.

Mr Goeminne introduced the Supervisory Board and the Management Board of Beter Bed Holding N.V. In addition to Mr Jos Spijker, the auditor from Ernst & Young Accountants, he welcomed Mr Rainer Brockmöller, Director of Matratzen Concord GmbH, Mr Bob de Nijs and Mr Gerko Coenen, Group Controllers at Beter Bed Holding N.V. and the representatives of the Works Council Executive Committee of Beter Bed B.V. The proxy votes were cast by Mr Ruud van Bork, civil-law notary at Loyens & Loeff. A sound recording was made of the meeting. The minutes were taken by Ms Gusta de Jong and will be posted on the website of the company within three months after the meeting, in accordance with article IV.3.10 of the Corporate Governance Code.

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

The annual report is available on www.annualreportbeterbedholding.com. Starting next year, the online annual report will fully replace printed copies of the annual report.

Correction of minutes of 19 May 2014

The minutes of last year stated that the variable pay in 2013 related to the year 2012. This should be: the variable pay in 2013 relates to the year 2013.

2. Discussion of the 2014 annual report

The Management Board gave a presentation on the main developments in the 2014 financial year. The presentation is available on www.beterbedholding.com.

Mr Koops commented on the financial results.

The company can look back on a good year. Just like 2011, 2014 was a year with two faces. Following falling revenue in the first and second quarters, the cautious recovery of the economy and consumer confidence became visible. This drove a positive turnaround in the third and fourth quarters, which also continued in the first quarter of 2015.

The operating profit developed along similar lines last year. After falling in the first quarter and remaining level in the second quarter, EBIT was positive in the third and fourth quarters. Earnings per share, at € 0.77, more than doubled (2013: € 0.38). The cash flow (net profit plus depreciation) amounted to € 25.1 million (2013: € 18.2 million). At € 13.2 million, investments returned to pre-2012 levels, compared with € 5.4 million in 2013. Of this amount, € 10.8 million was invested in stores and € 2.4 million in IT and E-commerce. Partly as a result of an improved cash position and by increasing the use of supplier's credit, the balance sheet total amounted to € 117.1 million (2013: € 102.5 million). Owing to the increase in revenue and the decrease in stocks, the stock turnover rate rose by almost 10% to 6.7. Net revenue increased by 1.8% to € 364 million, compared with € 357 million in 2013. Despite a decrease of the total number of stores by 4.1%, mainly as a result of relocations, closures of underperforming stores and the closure of the Slaapgenoten and Matratzen Concord stores in the Netherlands and Belgium, like-for-like growth reached 4.8%. The increase of gross profit from 56.9% to 57.3% was in line with policy. Costs decreased from € 190.9 million in 2013 to € 185.6 million. This decrease is attributable to the non-recurring costs of € 7.5 million recognised in 2013 as a result of the closure of stores in Spain and the closure of the stores of Slaapgenoten and Matratzen Concord in the Netherlands and Belgium. Adjusted for these costs, this means that costs have risen by some 1.1%, which equates to an average cost increase per store of 5.3%. The increase in staff costs is attributable mainly to non-recurring costs, a provision recognised for the workforce reduction at Slaapgenoten and Matratzen Concord Nederland and Belgium, higher variable costs as a result of the revenue increase and a non-recurring end-of-year bonus paid to all employees of the group on the basis of the results. The operating profit rose from € 12.3 million to € 23.0 million, or 6.3% of revenue. This increase was driven mainly by EBIT growth in the fourth quarter from € 0.6 million in 2013 to € 10.5 million (10.6% of revenue). The tax burden, at 25%, is at a realistic level again this year. Net profit rose from € 8.2 million in 2013 to € 16.9 million. The increase in investments on the assets side of the balance sheet was mainly due to the remodelling of the Beter Bed stores and licences and software. The stocks fell from € 55.5 million in 2013 to € 53.5 million owing to a tighter delivery and stock reduction policy and a decrease in the total number of stores. The cash position increased from € 9.6 million (2013) to € 20.9 million. Equity increased to € 68.6 million (2013: € 58.0 million). The item provisions of € 1.3 million related to the remaining portion of the rental obligations that the company had for the Matratzen Concord stores in the long term. The debt of € 5.0 million in 2013 was repaid in full in 2014, as a result of which the company, with the exception of supplier commitments, was completely debt-free. Solvency increased to 58.6% (2013: 56.6%). Cash flow from operating activities increased (€ 32.6 million compared with € 22.1 million in 2013). Cash flow from investing activities was € 10.5 million negative (2013: € 4.4 million negative) and cash flow from financing activities was € 6.8 million negative (2013: € 8.1 million negative). The movement in net cash and cash equivalents was € 15.3 million compared with € 9.7 million in 2013.

Beter Bed Holding is confident that it has taken a good step towards a recovery of profitability with the above results. The outlook is positive.

Mr Anbeek continued the presentation.

Beter Bed Holding is maintaining its vision formulated previously, of becoming the market leader in the 'value for money' segment of the bed and mattress market in the developed markets in Europe, in a socially responsible manner, and its mission, of ensuring that all its customers can sleep soundly and comfortably at an affordable price.

The objectives this has given rise to are:

- Increase in market share.
- Improvement of customer satisfaction. Since last year, this is measured via the Net Promoter Score.
- Increase in net profit.
- Maintain a strong and robust balance sheet.
- Doing business in a socially responsible manner.

In 2011, Beter Bed Holding formulated a number of CSR objectives that are important to the company. Despite all the efforts undertaken, including signing the Charter Talent to the Top and the appointment of a female Purchasing Director Benelux and a Marketing Manager in Germany (2015), progress towards the target for diversity of the management, to have 30% women in management by 2016, remained unchanged at 22% and the target has not yet been achieved. We are working hard to limit sickness-related absenteeism. Sickness-related absenteeism declined marginally in the Netherlands (4.2% compared with 4.3% in 2013). A slight increase to 3.6% is discernible in Germany (2013: 3.5%), mainly due to long-term absenteeism as a result of the age structure and employees with long-term illnesses. Short-term absenteeism is below the national average. The target of having certified 80% of the number of mattresses for hazardous substances by 2016 was achieved at 82%. Energy consumption at 240,000 GJ remained just above the target of 235,000 GJ. Progress towards the target for re-using mattresses gained momentum in Germany, as it already had in the Netherlands, but the target was not achieved in 2014, at 48%. New targets will be formulated for a new period next year.

The strategy for achieving the above objectives is focused on the following areas:

- Investing in retail marketing. Traditionally, the company has focused on expansion. While this remains a focus area in all countries, like-for-like growth is the current priority. The focus accordingly is on:
 - Revenue growth in comparable stores by increasing the number of visitors, increasing conversion and the average order amount and improving customer satisfaction.
 - Increasing the distinctive potential of retail formulas. After Beter Bed, a new concept was rolled out at El Gigante del Colchón and test stores were opened at Beddenreuz and Matratzen Concord in Germany, with positive results.
 - The development and introduction of own marketing and product concepts (private brands). In addition to the A brands, the range in the stores consists mainly of own brands including M Line, Karlsson, Alpine + and SF Kontakt. The company is seeking to enhance the innovative capacity within these own brands by regularly introducing new products in the market.
 - Entering into strategic partnerships with suppliers.
 - The development of own webshops and online strategic alliances (omnichannel retail).
 - Implementation of the Net Promoter Score to improve customer satisfaction. The Net Promoter Score is calculated by reducing the percentage of nines and tens by the percentage of zeros through sixes. It is important to the company that this score is a measure that can be translated to stores and staff, so that the customer's interests are put first.
- Growth by means of expansion of existing store concepts in an omnichannel context on the basis of flexible rental contracts.
- Annual increase in gross profit by improving the sales mix, reducing the number of suppliers and 'value engineering' and other initiatives.
- Reducing rental costs by means of fewer m² and continual negotiation on rental contracts.
- Net working capital reduction, for which purposes reducing stocks, which are intrinsically connected to cash & carry formulas, is a focus area.
- Reduction of investments and costs when opening new stores.
- Acquisition of (online) players, depending on the country and the structure of the market in that country.
- Continually improving primary and supporting organisation processes by flexible but robust IT systems and promoting a 'facts-no guesses' culture.
- More flexible infrastructure at lower costs in logistics and faster delivery times both inbound and outbound.

- Optimisation of staff by internal training of the sales organisation and other divisions.
- Employee diversity, targeting at least 30% women in management positions by 2016.
- Further improvement of employee satisfaction, which is measured once every two years.
- Corporate Social Responsibility. The strategy to be pursued and the objectives arising from it will be reformulated next year.

Formulas

As a result of the closure of the Matrassen Concord stores in the Netherlands and Belgium, relocations and the closure of underperforming stores, the net number of stores at **Matratzen Concord** fell by 36 to 966 stores. Revenue nonetheless rose by 4.5% to € 249.1 million. Revenue in comparable stores grew by 5.1%. The market share in Germany continued to grow. In the first quarter of 2015, in addition to a new logo, Matratzen Concord – ganz schön ausgeschlafen, new advertising was developed and introduced. With a view to proceeding to a final decision to introduce the new concept, test stores with a new store layout and image have been opened.

Beter Bed benefited in 2014 from the cautious recovery of the Dutch market and the improvement in the housing market. By contrast to last year, its revenue increased by 2.1% to € 91.3 million and it achieved like-for-like growth of 5.3%. Two new stores were opened in Belgium and the growth in the online sales of its own webshop is continuing. This growth is partly attributable to the relaunch of the brand, the advertising and the remodelling of the stores.

The **Beddenreus** formula has had a more challenging year. Revenue and revenue in comparable stores fell by 10.7% and 2.1% respectively. At the end of last year, an experiment was initiated to adapt the formula concept by opening a number of test stores, using a new logo, new advertising and a new store layout, with positive results so far.

Revenue at **DBC**, the wholesaler of M Line mattresses, rose by 4.5% to € 14.0 million (2013: € 13.4 million). This uptrend was visible both at the Beter Bed Holding stores and at the dealers.

Although revenue at **El Gigante del Colchón** fell to € 5.5 million in 2014 and despite the closure of a large number of stores, the Spanish formula is recovering with like-for-like growth of 15.7%.

Despite the limited revenue growth on an annual basis of 1.8%, revenue in comparable stores rose by 4.8% owing to a strong increase in the last few quarters. Gross profit continued to rise in 2014, to 57.3% (2013: 56.9%). The total number of stores fell from 1,175 in 2013 to 1,127, following 48 net store closures. This was mainly attributable to the closure of 32 stores of Slaapgenoten and Matrassen Concord in the Netherlands and Belgium, relocations and the closure of underperforming stores in Germany.

Outlook

Except in Switzerland, where the furniture market had been under pressure for several years and the currency effect is delayed, the positive revenue trend was continuing in all countries. With a new manager, a more sharply priced range and the roll out, in due course, of the concept that was being tested in Germany, the company expected to be able to achieve a revenue uptrend in Switzerland as well in 2016. The sharper positioning of all formulas would be continued, as would the strategies to improve revenue and gross profit referred to earlier. In addition, the focus would remain on the policy already launched to contain costs, reduce complexity and improve net working capital.

The following questions were asked further to the presentation, which were largely answered by Mr Anbeek.

- Mr H. Rienks from Nieuwerkerk aan den IJssel:

As the Beddenreus formula is somewhat similar to the Matrassen Concord stores in the Netherlands and Belgium and results at this formula are likewise below par, would it not be wiser to close these stores as well?

The measures that had been taken and the introduction of the new concept had led to improved performance. The Management Board had confidence in continuing on the present path.

To what extent does Beter Bed Holding see possibilities for turning the situation in Switzerland around and how much is being invested in this?

As stated earlier, a new manager had been appointed in Switzerland with experience in the bed market. As in Germany, an adjusted store concept would be introduced following an experiment with a number of test stores. The investment would be the same as in Germany.

As the investments have increased substantially this year, mainly due to the remodelling of the Beter Bed stores, how high will the investments be when the much larger number of Matratzen Concord stores is remodelled?

Because the retail floor areas at Matratzen Concord were smaller than at Beter Bed and revenue was lower, the amount of the investment per store for remodelling would also be lower. In addition, not all stores would be remodelled at the same time.

The positive result is partly due to the policy of closing stores that incur losses. What other options does Beter Bed Holding have to improve profits by closing stores that are performing poorly?

As stated earlier, this was part of the policy, with part of the closures being due to relocations or poor performance. This policy would be continued. A closure of a similarly large number of stores as last year was not expected.

- Mr A. Jorna, representing the Dutch Investors' Association VEB and shareholders that have given their proxies to the Association:

Will the acceleration that became manifest in the second half of 2014 continue at the same rate in the first quarter of 2015 and the following quarters?

Reference was made to the press release of 13 May of this year.

Mr Jorna was pleased with the correction at the start of the meeting concerning the variable remuneration and wondered why variable remuneration had been granted in a poor year.

Mr Slippens answered this question and confirmed that he had given the wrong answer last year. This had now been corrected. He explained that the variable remuneration was split into a profit-related portion and a target-related portion. Clearly, if the targets were achieved, the portion of the remuneration concerned was paid automatically.

Are people in Germany now also sleeping on Dutch box springs?

Box springs were also being sold in Germany.

Why has a lower target been set for sickness-related absenteeism in Germany than in the Netherlands?

This target had been set on the basis of historical sickness-related absenteeism at Matratzen Concord. In practice, this target had proved to be overly ambitious.

Do rental negotiations produce significant savings for Beter Bed Holding?

The company was able to procure advantages in rental negotiations, renewals or changes. Those advantages were diminishing however as the market improved.

Do the French and Danish participating interests signal the start of an expansion into those countries?

Mr Anbeek confirmed that the markets in those countries were being explored.

Reference is made to good developments in online sales in general, but revenue has stalled at 5% for two years now. Nor is this channel producing the desired profits for the major online players yet. Will there be a growth acceleration and to what extent are online sales profitable?

Owing to the omnichannel strategy, the bed market is significantly different and sales are still largely through stores. Online sales mainly involve smaller order amounts. Partly because the percentage of returned goods is extremely low at the company and this is not a large cost item for Beter Bed Holding, by contrast to the large online players, online sales are profitable.

Revenue per store at El Gigante del Colchón is extremely low compared with Beter Bed or Beddenreuz. Does this formula, with these revenue levels, have a right to exist?

The conditions in which the various concepts of Beter Bed Holding were required to operate cannot be compared with one another. In addition, Spain was emerging from the crisis, where the market had contracted by 70% and costs were much lower.

Is there an explanation for the € 1.4 million that is reported for a pension provision for an employee?

Mr Koops stated that this was a defined benefit provision that was carried in the balance sheet for a former Director from Germany who worked for the company for many years and had demanded this at the time.

- Mr M. Hartog, representing Todlin, complimented the company on the results achieved and affirmed that the growth model of Beter Bed Holding, aimed at like-for-like growth and (in due course) expansion, was still properly positioned. He requested the company to be and remain careful with acquisitions. Mr Hartog asked the following questions:

The company is reverting to a smaller number of suppliers, but more strategic ones, which will increase dependence on them. Is there a policy in terms of supplier conditions to minimise this dependence and to reduce the risks?

Whereas the company used to have as many as ten suppliers for mattresses in the past, this was being reduced to a minimum number of two, but ideally three, suppliers.

To what extent are the Management Board and the Supervisory Board able to discuss the recommendations that have been made with regard to controls in the field of IT with the auditor?

Mr Koops replied that the recommendations made by EY in its audit report with regard to SAP had been followed up and resolved. As regards competence, there was sufficient expertise available on the Management Board. In areas where there was not, the Management Board called on the advice of experts.

What are the findings of the assessment of the logistics strategy for the Netherlands, as referred to in the Supervisory Board's report?

The conclusion was that with three distribution centres, the company currently had an adequate logistical organisation from which it supplied Dutch and Belgian customers. At the same time, given current developments and considering the market and our competitors, it had also been concluded that there was room for improvement in terms of the flexibility and the speed of the logistics organisation and further steps would be taken in the years ahead.

- Mr R. Snoeker from Nieuwkoop:

Mr Snoeker asked for information on the goal to increase net profit, regardless of the circumstances in the market and consumer confidence, which he considered to be odd in an economic downturn.

Mr Anbeek confirmed that this might seem to be inconsistent, but that the company did aim to achieve this goal, although this was not easy in a period of recession.

Does the target formulated in the past to achieve profit equal to 8 to 10% of revenue still apply?

Although these profit levels have been achieved in the past, Mr Anbeek denied that this had ever been stated as a target.

To what extent does the company expect to be at the same profit level as a few years ago?

Depending on how quickly the market recovered, consumer confidence grew and the housing market improved, the company expected to be able to return to its former profit levels with a lower number of stores.

Is Beter Bed Holding exposed to the risk of a take-over by a hedge fund, due to its strong balance sheet, very low bank debt and excellent liquidity?

Mr Koops stated that the company had not been approached yet. In addition, a rough calculation showed that Beter Bed Holding was not attractive for private equity yet. The company prized its strong balance sheet and the cash position associated with it, which was advantageous in negotiations with suppliers and lessors. In addition, part of the cash would be used for investments to introduce the new concept at Matratzen Concord.

Why are such high discounts applied in the bed market?

Mr Anbeek suspected that this arose from discounts offered in the past and the discount element in this market. Bargaining had become part of the DNA and this was something the company was pleased to support.

- Mr M. Coenen from Uden:

With regard to CSR, an undertaking was given last year in response to his question about the 'local impact' that this topic would be raised in a stakeholder dialogue. What results did this produce?

Mr Koops stated that three sessions had been held in the past year, each from a different perspective. The first session was with a delegation from the Works Council, employees and customers, the second with a number of shareholders and fellow retailers and the third with the Dutch Association of Investors for Sustainable Development (VBDO) and other NGOs in the market. The theme 'local' had been discussed. This had given rise to several ideas, the feasibility of which still needed to be examined.

Mr Coenen asked whether further stakeholder dialogue was scheduled. He proposed that the topics that had been raised in the stakeholder dialogue and could not be covered by the GRI guidelines should be reported.

The new targets to be formulated and their quantification were being discussed with the same stakeholders this year. Further steps would be taken depending on this.

Does the new auditor to be appointed have expertise in the field of environmental accounting, so that benchmarking in sustainability reporting can also take place?

Mr Goeminne proposed that the new targets should be formulated first, before this was considered.

The Management Board has signed the Charter Talent to the Top. Is the ratio of men/women the sole focus in terms of diversity?

Talent to the Top focused mainly on the ratio of men to women. That was the basic starting point for the company. The company was actively working on this but the target of 30% had not been achieved yet. The Charter therefore served as an additional spur.

What is the experience of the combination online and offline and what are Beter Bed Holding's views on the vision for the future expressed by a professor in Rotterdam that more small purchases will be made and the number of stores and retail floor space can be reduced?

By contrast to the trend in fashion, people in almost all countries preferred to come to the stores when buying a bed, so as to be able to compare beds and receive extensive advice. The company was however prepared for the trend to transition to fewer and smaller stores, but this depended entirely on the market, the location and country concerned. Trends were being closely monitored.

What is the relationship between the number of employees in the stores and the number of m²?

This depended on factors including the number of visitors and the day of the week.

Mr Coenen stated a request that the date of the initial disclosure as well as the last disclosure in the event of any change should be stated when reporting on significant participating interests.

Mr Koops would consider this, but wondered whether this was at all feasible.

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.

Reference is made to pages 53 to 57 of the annual report, where the activities of the Supervisory Board in the past year are described in detail.

After an explanation provided by its Audit Committee, the Supervisory Board discussed the update of the risk assessment with the Management Board. The Supervisory Board believes that the procedures related to risk analysis, risk management, risk control and audits by the external auditor with respect to the AO/IC (Administrative Organisation and Internal Control) provide sufficient certainty for the in-control statement relating to the performance of the risk control and risk management system.

The composition of the Supervisory Board is unchanged. Agenda item 9 concerns the reappointment of Ms de Groot as a Supervisory Director. The Supervisory Board has set up two committees: the Audit Committee, comprising Ms De Groot (Chair), Mr Van der Vis and Mr Goeminne and the Remuneration Committee, comprising the whole Supervisory Board. The work of the Selection and Appointment Committee as laid down in the Dutch Corporate Governance Code is performed by the Supervisory Board as a whole.

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

In conclusion, Mr Goeminne thanked all staff and emphasised that the results achieved in 2014, after a difficult 2013, would not have been possible without the commitment of all employees in the various European countries.

4. a. Remuneration policy

Mr Goeminne gave the floor to Mr Slippens, Chairman of the Remuneration Committee, who outlined the remuneration policy again. The remuneration policy, which is aimed at attracting, motivating and retaining qualified people as members of the Management Board who enable Beter Bed Holding N.V. to achieve its strategic and operational objectives, was approved in the Annual General Meeting of Shareholders of 23 April 2009 and partly adjusted at the shareholders' meeting of 25 April 2013. The remuneration policy is performance-related, but conforms to the social context, good corporate governance and stakeholder interests.

He referred to pages 58 to 62 of the annual report for the Remuneration report.

One committee meeting took place in 2014 and there were also repeated informal consultations in the course of the year. In addition to the performance of the Management Board, the remuneration of the top twenty managers of the organisation was also discussed. The remuneration of the Management Board, which consists mainly of a competitive fixed salary, a competitive pension scheme, variable remuneration consisting of a quantitative and a qualitative portion, options on shares and other employee benefits, was unchanged compared with 2013.

Mr Hartog, representing Todlin, had the following question on this topic:

Two years ago, the remuneration policy for the option scheme was adjusted, with Total Shareholder Return replacing the linkage to net profit. Despite the fact that Todlin is satisfied with the Total Shareholder Return, there are currently no exercisable options yet and unfortunately they are not yet seeing the alignment in full. Might remuneration in shares, or a longer retention of shares obtained from options, be considered for the Management Board?

Mr Slippens replied that these comments would be considered in a following adjustment, given the current developments.

b. Implementation of the remuneration policy for 2014

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. For specific information on the remuneration of the Management Board and the Supervisory Board in the 2014 financial year, reference is made to the Remuneration report and page 85 of the annual report.

c. Proposal to adjust the remuneration for the Supervisory Board

For the remuneration of the Supervisory Board for 2014, reference is made to page 61 of the annual report. The last adjustment of the remuneration was approved in the Annual General Meeting of Shareholders of 28 April 2010. Owing to the fact that the duties and responsibilities of the members of the Supervisory Board have grown in the past few years, it was proposed to increase the remuneration for Supervisory Board members by € 3,000 with effect from 1 January 2015.

Because almost all members of the Supervisory Board are also members of the committees, Mr Coenen from Uden proposed that the remuneration for Supervisory Board members should be increased by € 4,500 instead of € 3,000 and the committee remuneration should be eliminated.

Mr Slippens stated that although there was no legal obligation, with a total of four members of the Supervisory Board, to set up committees, this had been deliberately opted for, as had the composition of the committees and the remuneration for each committee. This proposal would not be considered.

This was followed by a discussion with shareholders that was not connected with this topic, after which this agenda item was submitted to the vote.

In anticipation of the other agenda items to be submitted to the vote, Mr Ruud van Bork provided a recapitulation of the proxy votes. These are noted in detail in the minutes of the agenda items concerned.

No votes were cast against this agenda item. The resolution to adjust the remuneration of the Supervisory Board was adopted unanimously.

d. Consideration of the financial statements for the 2014 financial year

The financial statements are detailed from page 63 of the annual report.

- Mr Jorna, representing the VEB, had the following questions:

What is the reason for the significant difference of the provision for doubtful debts relating to working capital in 2014 compared with 2013?

Mr Koops explained that this was a small amount and related to the amounts receivable by DBC from its dealers. It was an accounting policy to provide only for a receivable older than one month. Beter Bed Holding had applied this policy more stringently in previous years.

If it is said that Beter Bed Holding can move in step with the economic and commercial situation, how flexible is the company, now it turns out that the commitments not included in the balance sheet, aggregated for the next five years, almost equal the balance sheet total?

Mr Koops explained why a commitment not included in the balance sheet had been built up at Beter Bed Holding and confirmed that Mr Jorna's statement was correct. How lease and lease obligations were treated in the financial statements was one of the issues for discussion in the years ahead. Although the standards for this were not clear yet, the company was already looking at this.

e. Presentation of the audit of the annual results

For the last year, Mr Jos Spijker, partner at Ernst & Young Accountants (EY), gave a presentation on the nature and frequency of the auditing work carried out at Beter Bed Holding. The company had, for the purpose of the AGM, suspended Ernst & Young's duty of confidentiality. Mr Spijker confirmed that the presentations given by the Management Board and the Supervisory Board provided an accurate account of the company and had been reviewed by the external auditor.

In his presentation, Mr Spijker gave an account of the results of the 2014 audit, the areas of risk identified in the audit, the approach to communication and the interaction with the company. In addition to the statutory requirements, EY also performed a review engagement for the interim figures. The scope of the audit and the scoping were determined on the basis of the materiality and the risk assessment. Under the supervision of the central team, audit teams, which performed local procedures, performed the audit procedures and documented them in several reports, which were then periodically agreed with the Management Board and the Supervisory Board. These audit procedures provided sufficient audit evidence to issue an unqualified auditor's report. This auditor's report was further formalised this year. No material uncertainties were identified that cast doubt on the company's ability to continue as a going concern. By means of an audit plan, the risk assessments were agreed with the Management Board and the Audit Committee in advance. Specific attention was paid in 2014 to revenue recognition and the closure of Slaapgenoten and Matrassen Concord in the Netherlands and Belgium. The procedures performed did not give rise to any audit findings and therefore no significant deficiencies in the continuity and reliability of the IT were established. The materiality (a term for anomalies in the figures acceptable to the auditor) employed in the audit of the consolidated financial statements of Beter Bed Holding in 2014 was € 2.5 million. In addition an amount of € 125,000 was agreed, above which all errors are reported to the Management Board and the Supervisory Board. There were no audit differences in the past year.

EY viewed its relationship with the company as transparent, critical, independent and professional, and found that audit findings were taken seriously and adequately followed up by the company.

- Further to this presentation, Mr Jorna, representing the VEB, asked the following questions:

How does the auditor determine the completeness of the purchasing bonuses?

Mr Spijker stated that this was a technical question. This was a process that considered the organisation of controls on the one hand and assessed the contracts, certain confirmations and the consistency of the agreements on the other.

Did Mr Spijker advocate including CSR in the audit? In this connection, Mr Jorna would also like to see the introduction and the outlook being included in the audit.

Mr Spijker was aware of the social responsibility and expressed the view that, if this came up, the auditor would have a role in pursuing this. He believed that Beter Bed Holding would be open to such a debate, but this had not been necessary in this case. Mr Jorna's request was not followed up.

f. Adoption of the financial statements for the 2014 financial year

Pursuant to article 32 (2) of the articles of association, the financial statements are adopted by the Annual General Meeting of Shareholders. The agenda item was submitted to the vote.

The 2014 financial statements were unanimously adopted.

5. Dividend policy

Beter Bed Holding N.V.'s dividend policy, which was approved by the Annual General Meeting of Shareholders 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. This will occur in the form of an interim dividend following the publication of the third-quarter results and a closing dividend following the adoption of the financial statements and approval of the dividend proposal by the Annual General Meeting of Shareholders. This ensures that the payment of dividend is spread evenly over the year. The payment of dividend may not result in the company's solvency ratio being lower than 30% on any date of publication.

The ratio between net interest-bearing debt and EBITDA 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. No proposal for amendment was submitted this year.

Mr M. Coenen from Uden repeated his request for an optional dividend, which was again rejected.

6. Dividend proposal for 2014

On 14 November 2014, Beter Bed Holding N.V. paid an interim dividend of € 0.28 per share. Based on the net profit of € 16.9 million for the 2014 financial year, the Supervisory Board proposed to pay a final dividend of € 0.37 per share, in accordance with the Management Board's proposal. This brings the total dividend for 2014 to € 0.65, i.e. 85% of net profit. The dividend will be made payable on 5 June 2015.

Mr Goeminne submitted the proposal to the vote.

The dividend proposal for 2014 was approved unanimously and would be announced in a press release.

7. Corporate Governance

The Supervisory Board and the Management Board endorse the principles of corporate governance, as set out in the Dutch Corporate Governance Code. Mr Goeminne referred to pages 46 through 50 of the annual report. The information provided in this section relates to the Code as updated in December 2008 by the Corporate Governance Monitoring Committee.

The website www.beterbedholding.com contains a full list of best practice provisions, including a specification for each provision whether or not the company complies with it. There have been no changes in the company's corporate governance policy from last year.

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

In the vote, Caceis Bank voted against the proposal via the proxy votes with 12,500 shares. Those votes represented 0.08% of the total number of votes and consequently a majority voted for the discharge of the members of the Management Board in respect of their management.

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

As in agenda item 8a, Caceis Bank voted against the proposal with 12,500 shares. A majority of votes approved the discharge of members of the Supervisory Board in respect of their supervision.

9. Proposal to reappoint Ms E.A. de Groot as a Supervisory Director

According to the rotation schedule, Ms De Groot will retire as Supervisory Director, having completed a four-year term of office. On the basis of her personality, her financial knowledge, her business experience at a national and international level and her current performance as a member of the Supervisory Board and Chair of the Audit Committee, the Supervisory Board put forward Ms De Groot for reappointment to the Supervisory Board for a term ending after the first Annual General Meeting of Shareholders to be held after a four-year period from the time of her reappointment. On 23 February 2015, the Works Council of Beter Bed endorsed the proposed reappointment of Ms De Groot.

There were no votes against this agenda item and therefore it was unanimously resolved to reappoint Ms E.A. de Groot as a Supervisory Director. The reappointment would be announced via a press release.

Ms De Groot received the congratulations of Mr Goeminne and there was applause.

10. Authorisation of the Management Board to issue new shares

This concerns an annual agenda item.

Under Article 10 of the articles of association, the Supervisory Board and Management Board requested authorisation to issue new shares and the authorisation to allocate rights to acquire shares up to a maximum of 10% of the share capital outstanding at the time of the meeting, respectively. The authorisation was requested for a period of 16 months from the date of this Annual General Meeting of Shareholders and is subject to the approval of the Supervisory Board.

Via the proxy votes, BNP Paribas Securities Service, BNY Mellon and Deutsche Bank voted against with respectively 454,799, 240 and 320 shares (2.96% of the total number of votes). This agenda item was adopted by a majority of votes.

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

Added to the last agenda item was a request that authorisation be granted to restrict or exclude the preferential right as formulated 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 of Shareholders and is subject to the approval of the Supervisory Board under the articles of association.

In addition to the same number of votes against from BNP Paribas Securities Service, BNY Mellon and Deutsche Bank as in agenda item 10, Citibank also voted against, with 1,544,420 votes. The agenda item was adopted by a 87.01% majority of votes.

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

This also concerns an annual agenda item.

It was requested to grant the Management Board the authorisation, pursuant to Article 13 of the articles of association, to repurchase own shares up to a maximum of 10% of the number of outstanding shares. The repurchase price must not exceed by more than 10% the average closing price of the five trading days prior to the date of acquisition. How this occurs will partly depend on the results of the business. This authorisation was requested for a period of 16 months from the date of this Annual General Meeting of Shareholders.

There were no votes against this agenda item, which was unanimously adopted.

13. Appointment of the external auditor

Partly on the advice of the Management Board and the Audit Committee, the Supervisory Board proposed to appoint PwC as auditor for the audit of the 2015 financial statements. The audit would be performed under the responsibility of Mr W.C. van Rooij RA, partner at PwC Eindhoven. Mr Van Rooij was introduced to the shareholders' meeting.

Ms De Groot, Chair of the Audit Committee, held a presentation on the selection process that had led to the aforesaid proposal. It had been announced in last year's shareholders' meeting that this change would already take place in 2015, ahead of the mandatory rotation in 2016, to enable the new auditor to commence his work, after adoption, with the review of the 2015 interim figures. On the basis of criteria determined in advance, three parties had been invited to the process which were assessed, under the responsibility of the Audit Committee, by a team from Beter Bed Holding comprising the Management Board, Group Controlling and the Management teams of the Netherlands and Germany. The Management Board coordinated the execution of the process. The decision-making took place in the Supervisory Board. The rationale for selecting PwC and the partner Mr Wim van Rooij was Mr Van Rooij's retail experience in combination with the composition of the team, the customer focus and their EDP approach.

On behalf of the full Supervisory Board, Ms De Groot expressed her appreciation for Mr Spijker and the team from EY. She thanked them for their contribution in the past years, which had at all times been professional, direct and clear. The shareholders confirmed this by applauding.

The following questions were asked further to the presentation:

- Mr R. Snoeker from Nieuwkoop:

Why was it decided to implement the change a year too early and did costs play a part in the selection?

Ms De Groot stated that the company did not wish to run the risk of all good teams already being engaged in 2016. Although costs were always considered, these did not differ materially between the various parties concerned. Therefore they had not played a decisive part.

- Mr H. Rienks from Nieuwerkerk aan den IJssel:

At which companies had Mr Van Rooij acquired experience that could serve as a reference for the work at Beter Bed Holding?

Mr Van Rooij answered this question himself, stating that he had been involved in the audit of several listed companies, including TNT, Gamma Holding, DE Masterblenders, Triumph and Mars.

- *Mr M. Coenen from Uden was interested in the reasons and motives of Mr van Rooij for becoming the auditor of Beter Bed Holding.*

Mr Van Rooij replied that his motivation derived from the pleasure he experienced in exercising the profession of accountant, the social responsibility it represented and the fact that he considered Beter Bed a good company to be involved with.

Further to the above, Mr Snoeker asked Mr Goeminne whether the shareholders' meeting was the right place for asking those kinds of questions.

Mr Goeminne stated that everyone was free to ask his or her questions.

- *Is there a specialisation in environmental auditing within PwC and would PwC accept this engagement, should it arise?*

Mr Van Rooij confirmed that this specialisation existed within the firm. PwC was open to any engagement of this kind.

The appointment of the external auditor was submitted to the vote. PwC was unanimously appointed as external auditor of Beter Bed Holding N.V. for the audit of the 2015 financial statements.

14. Announcements

There were no announcements.

15. Any other business

- Mr M. Coenen from Uden:

What are Beter Bed Holding's views on the sharing and barter economy and the leasing of beds?
Mr Anbeek stated that many components of beds were traded via channels such as Ebay and Marktplaats. This would not be very attractive for mattresses, from a hygienic perspective. The subject of leasing had been discussed extensively last year. The position on this had not changed for the time being.

16. Closing

Mr Goeminne closed the meeting. He thanked the shareholders present for coming and for their contribution to the discussions. He hoped to be able to welcome them all again next year. On bringing the meeting to a close, he invited those present to an informal cocktail reception.

The meeting was closed to applause.

List of resolutions

- Approval of adjustment of the remuneration for the Supervisory Board by € 3,000 with effect from 1 January 2015.
- Adoption of the 2014 financial statements approved by the Supervisory Board.
- Adoption of the cash dividend for the year 2014 at a total of € 0.65 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 Ms E.A. de Groot as Supervisory Director.
- 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.
- Appointment of PwC as new external auditor, under the responsibility of Mr W.C. van Rooij RA (partner).

Mr D.R. Goeminne,
Chairman

Ms G. de Jong-Ruijs,
Secretary