Sligro Food Group N.V.

Minutes of the Annual General Meeting of Shareholders held on 21 March 2018

Minutes of the Annual General Meeting of Shareholders of Sligro Food Group N.V., held at 10.30 am on Wednesday, 21 March 2018 at the company's offices in Veghel.

Present:

- Supervisory Board: F. Rijna, Ms M.E.B. van Leeuwen, Mr B.E. Karis, Mr J.H. Kamps and Mr G. van de Weerdhof;
- Executive Board: Mr K.M. Slippens, Mr R.W.A.J. van der Sluijs and Mr W.J.P. Strijbosch;
- Company auditors: Mr J. Hendriks of Deloitte Accountants;
- Representatives of the Works Council: Mr R. Heijberg and Ms E. Goedhart;
- Shareholders and other invited guests.

In accordance with Article 38 of the Articles of Association, the Supervisory Board appointed its chairman, Mr Rijna, as chairman of this Annual General Meeting of Shareholders.

The business comprised the following items.

1. Call to order and announcements

The chairman called the meeting to order and welcomed those present. He asked Mr Van der Veeken to act as secretary and minute-taker for the meeting.

The secretary confirmed that the meeting had been convened in accordance with Article 35 of the Articles of Association and the requirements of the law.

There were 44,255,015 shares in issue, of which 289,600 had been repurchased by the company. As no votes can be cast on repurchased shares, the number of shares with voting rights was 43,965,415. The number of shareholders attending in person or represented by proxies was 171, together representing 38,897,401 shares or 88.5% of the number of shares with voting rights.

No holders of a right or pledge or usufruct were present and there were no holders of depositary receipts issued with the cooperation of the company. Legally valid resolutions could be passed. Resolutions would be carried by an absolute majority of the votes unless prescribed otherwise by law or the Articles of Association. Resolutions concerning an amendment to the Articles of Association require a majority of two-thirds of the votes cast which also represents more than half of the issued share capital.

2. Minutes of the Annual General Meeting of Shareholders of Sligro Food Group N.V. held on 22 March 2017

The minutes of the Annual General Meeting of Shareholders held on 22 March 2017 had been adopted in accordance with Article 39 of the Articles of Association and signed by the chairman and the company secretary. The minutes had also been made available to the shareholders on the website www.sligrofoodgroup.nl. No comments or remarks on the minutes had been received in the period of three months following the posting of the minutes online.

3. Report of the Executive Board on the 2017 financial year

Agenda item 3 concerns the Report of the Executive Board, i.e. the first part of the annual report up to page 112.

Mr Slippens welcomed those present. A lot had happened in 2017 and this would be explained further in the presentations given by Mr Slippens and Mr Van der Sluijs during agenda item 3.a. (Executive Board Report). Prior to the presentations, Mr Slippens paused to reflect on the death in 2017 of Mr Huub van Rozendaal, former CFO of Sligro Food Group.

Mr Slippens subsequently presented the market and general developments at Sligro Food Group in 2017 in the field of Food Retail and Foodservice. Following this, Mr Van der Sluijs presented the annual figures. Mr Rijna then presented agenda item 3.b. (Corporate Governance structure and compliance with the Corporate Governance Code). Reference was made to the presentation slides of Mr Slippens, Mr Van der Sluijs and Mr Rijna (see: www.sligrofoodgroup.nl).

Following the presentations, the chairman invited questions from the floor on the presentations and the annual report. The chairman requested the shareholders to limit themselves in the first instance to two concisely worded questions, so as to give everyone the chance to ask questions. The chairman also requested those asking questions to state their name, and if applicable, the name of the organisation they represented.

Ms Claessens (V.B.D.O., Vereniging van Beleggers voor Duurzame Ontwikkeling) commented that V.B.D.O. was very pleased to see that the Sustainable Development Goals (SDGs) of the United Nations had been included in Sligro Food Group’s 2017 annual report.

Ms Claessens then asked the following questions:
1) Would Sligro be reviewing its current sustainability policy against these SDGs, and if so, what steps would Sligro be taking this year in that area?
2) Sligro Food Group was a member of the international body, BSCI, which had placed a ‘living wage’ on the agenda. Sligro Food Group, along with other supermarkets, was also trying to bring about a procurement covenant that wanted to define the term ‘living wage’. What developments had there been in the field of BSCI and the procurement covenant, what role had Sligro played in that and how was Sligro currently addressing the living wage in its own chain?

These questions were answered as follows:
1) (*K. Slippens)* Sligro thought that what it was already doing in terms of sustainability closely matched the SDGs. Therefore, it was not a difficult route for it to take to embrace the SDGs. It did not therefore mean that Sligro had to adopt a completely different

sustainability policy. It viewed sustainability as a continuously developing process. The annual report contained a matrix with Sligro's current action items. If Sligro were to assess the implications of action items, it would not be enough to achieve its goals. If that were the case, Sligro's goals would be too easy. That meant that in the field of sustainability, Sligro really needed to invent new things in relation to what it was doing today. This could involve new developments in the field of urban distribution. Furthermore, it was not the case that all SDGs had the same impact on Sligro's business operations. Because Sligro was not a great consumer of water, for example, improvements in that field scarcely had an impact on it, whereas improvements in energy consumption did have a significant impact. Mr Slippens said that Sligro and Ms Claessens were in agreement on the SDGs and what should be done with them.
2) Mr Slippens was pleased with the question about the 'living wage'. This was something that Sligro had been working hard on in connection with the Dutch Retail Association (CBL), along with the Ministry of Foreign Affairs, the SER (Social and Economic Council) and a number of NGOs. However, there were NGOs that were not doing that. Mr Slippens said that he would ask you to encourage these NGOs to sign up to this covenant. Partly as a result of the formation of a new government, this covenant had not yet been signed. Mr Slippens pointed out that contrary to what Ms Claessens had said, that covenant was not a procurement covenant.

Ms Claessens (V.B.D.O.) asked the following question:
What term should be used then?

This question was answered as follows:
1) (*K. Slippens*) An IMVO covenant. IMVO stood for Internationaal Maatschappelijk Verantwoord Ondernemen (International Corporate Social Responsibility).

Mr Jorna (V.E.B.) posed the following questions:
1) He wanted to address point 3.b first, concerning governance. Sligro had stated on page 83 of its annual report that a shareholders meeting would need to be convened if there was a substantial change to the identity or character of the company or the business. In V.E.B.'s view, as a result of the separation of Food Retail, Sligro should also formally put this to its shareholders at a separate shareholders meeting, an Extraordinary General Meeting. That would give shareholders the opportunity to ask questions about the amount of the bid and the process used to arrive at it. In particular, because in January, Mr Slippens, had said when talking about the annual figures: 'we are looking very hard for a partnership, etc.' And then, like a bolt out of the blue, suddenly on 5 March, a very good offer came from Jumbo and Coop. But Mr Jorna said that we could not discuss this and if we had to ask all these questions now, he did not believe that there would be enough time. So, V.E.B. was calling on Sligro to convene a separate Extraordinary General Meeting to scrutinise this and formally to ask its shareholders their views. Mr Jorna said that he could not escape the impression that Sligro had received a commitment from the major shareholders. If this was the case, we would like to hear it and why Sligro was or was not convening an Extraordinary General Meeting.
2). Mr Jorna's second question was that Mr Slippens had said that the focus for the near term was on organic growth and on acquisition-based growth, certainly for the Belgian market, which was very fragmented. Mr Jorna asked what Sligro's goal was. It already occupied third position in Belgium. Would Sligro be using the pot of money from EMTÉ for acquisitions, or, for example, looking at the Netherlands, to acquire a major player such as Makro? Would this already be considered in 2018? Were there any irons in the fire? On the other hand, Mr Slippens had said that Sligro wanted to internationalise and its organisation was being set up accordingly. The word Benelux had been mentioned, but Mr Jorna still had Denmark in his head. He asked whether this was totally off the radar with this large pot of money or was Sligro limiting itself to the Benelux or did we need to take a wider

view? These were the first two questions.

These questions were answered as follows:
1) (*R. van der Sluijs)* Sligro had of course considered this. In this type of process, it always tried to be as transparent as possible to all parties. Sligro certainly did not want to contest that the step it had taken had had an impact on the business. And in that sense, it was possible to discuss whether this was an important strategic change of tack, and also whether the structure and/or the character of the business had changed. Sligro felt that there were arguments for and against. Yes, EMTÉ was an important business unit. On the other hand, Sligro's strength and its history was very much in Foodservice and it would continue with this.

But what was even more important in this connection was that Sligro – and perhaps the speed following the previous announcement had come as a surprise – had been openly communicating for the past 18 months about all the steps and measures it was taking in relation to EMTÉ and the future of Food Retail. And it did not think that this had surprised anybody. It was of course the case that Sligro was constantly in discussions with its shareholders, including the major shareholders, but as would be understood, it was simply not possible nor permitted to agree issues with them other than the issues Sligro shared with everybody in the public domain. So, in the line of communication, as Sligro had always done, and all the press releases it had issued and presentations given, there had indeed been discussions, including with the shareholders, but they had genuinely been limited to what was in the public domain. There was of course the possibility, and that was not something Sligro got just from its major shareholders, but also from all investors it spoke to in the course of its activities throughout the year in terms of investor relations, of lots of feedback and input on the steps it was taking. And on that basis, Sligro took the view that this route would be supported by the majority of its shareholders.

And then to the deal itself. Expressing a reservation for an Extraordinary General Meeting was an extremely serious reservation for many market players. And raising reservations in a process like this also had a negative impact on the value that could be derived from such a process. Now, in combination with these issues, Sligro had opted to enter into an unconditional intended transaction. And so as far as Sligro was concerned, an Extraordinary General Meeting was therefore no longer appropriate and not part of the process of this transaction.

Mr Jorna (V.E.B.) posed the following question:
Mr Jorna said that he greatly appreciated what had just been said, it was just that as a listed company, Sligro also had to stick to the rules. This was a major – including in terms of sales – move, and the character of the company also played a part. Mr Jorna said that in the opinion of V.E.B., Sligro should put this to its shareholders in a formal vote. If this were to happen, Sligro would be saying: Yes, it is getting in the way in terms of conditional or unconditional and Jumbo is not bothered by this. Mr Jorna said that he understood that Jumbo could simply do that. Mr Jorna said that a listed company should, and this was why he was also referring to agenda item 3.b, also apply the code. It should be applied or explained. He said that Sligro was explaining it now, but that he did not share its view. In Mr Jorna's view, Sligro should formally ask its shareholders for approval and then it would be possible to address in more detail questions about the bidding war, such as who were the other interested parties? What was the initial offer? What was the final offer? How did Sligro carry out its work in this process? Mr Jorna said that he assumed that it had been done very carefully, but said that he would like to have confirmation of this by asking questions. Mr Jorna said that the questions at the Annual General Meeting of Shareholders were limited, so if he were to address the entire process, the meeting could go on until the evening, and we would be having dinner instead of lunch.

This question was answered as follows:
(*R. van der Sluijs)* Mr Van der Sluijs said that he wanted to add a couple of comments. First of all, Mr Jorna had said that 'you were obliged'. There was of course the law that Sligro was required to adhere to and the law also mentioned something about this. The Netherlands Civil Code made mention of the criteria. Sligro had tested this extensively and there were a number of issues that were open to interpretation, unfortunately. The law was not so black and white on this, about what was and was not required. It did, however, contain one criterion that was very explicit and that concerned the balance sheet value of the activity being sold. It had to be one-third of the balance sheet value of the business and Sligro was well below that with the sale of its EMTÉ operation. Sligro did not deny that it accounted for a large part of its operations and significant sales, but to answer the question, Sligro was of course willing to answer any questions Mr Jorna had on the subject, but that there was simply no longer an opportunity to intervene in the process via an Extraordinary General Meeting.

2) (*K.Slippens)* Mr Slippens said that he would answer Mr Jorna's second question. Over the coming period, Sligro wanted to be the undisputed market leader in the Benelux and Denmark was not in the Benelux. Sligro was focussing on what was needed to be ready to also make acquisitions, including outside the Benelux, further in the future. Sligro believed it was simply a good idea to capitalise on the great business it had generated in recent years, such as the Heineken deal and the operation in Belgium. That was not to say, however, that if Sligro were able to buy something nice in the Netherlands that was a good fit that it would not do so. But if Mr Jorna was really talking about major acquisitions in the vein of Heineken, that did not seem logical at the moment. If Sligro were to look in Belgium and an acquisition opportunity were to arise in the consolidation of the market, one that Sligro simply could not miss, it would look at it, but the opportunity would have to be a really good one. Sligro was not currently looking to shake things up. It was much more important for Sligro to ensure that the three activities in Belgium were available on a single ICT platform. Once this had been achieved, Sligro Food Group Belgium would be ready. In that case, the situation would be the same as in the Netherlands and, a little irreverently, Sligro could start stringing the beads together. As things currently stood, Sligro was unable to fully integrate each additional activity and that made the situation more complex. If it was a really attractive acquisition opportunity, it should not be lost. That was also what Sligro believed, but it needed to be very fussy. This meant that Sligro's prime ambition was to ensure that in three or four years' time, if a new opportunity were to arise in Denmark, it could respond with a very resounding 'yes'.

Mr Snoeker suggested that in addition to having the opportunity to ask a limited number of oral questions during the Annual General Meeting of Shareholders there was also the opportunity to ask written questions.
Mr Snoeker subsequently asked the following questions:
1) He said that Sligro's main activity was to earn money by buying more cheaply than selling. It was all about the margin. He asked whether this played a role at Heineken or whether the benefit of the Heineken deal lay in the fact that Sligro would gain far more customers in the future and that major logistical benefits were to be achieved.
2) Mr Snoeker commented that Sligro sold tobacco, which accounted for approximately 10% of sales. Sligro had also said that it was aware of its responsibility when it came to food safety. Were these two issues not in conflict with one another to some extent? And given the social trends in combatting the use of tobacco, should Sligro not expect this to be a threat to its business that needed to be taken seriously.

These questions were answered as follows:
1) (*K.Slippens)* First of all, in response to the suggestion about posing questions. Sligro was

pleased to receive questions from shareholders in writing in the weeks preceding the meeting. Sligro tried to include answers to these questions as far as possible in its presentations at the start of the meeting. In response to the question about the Heineken deal, he said that he felt that Mr Snoeker had essentially given a good description of the deal. The most important aspect of the deal was the opportunity to optimise Sligro's logistics network. This of course was not just about purchasing and sales, but also about cost efficiency. In this area, the Heineken deal would offer a significant benefit. It would also generate new customers. If Sligro did its best with its conditions for these 14,000 new customers, or a large number of them, it would of course also help. Of the €180 million in sales Sligro had purchased from Heineken, so coffee, wine and spirits, it was of course still true that there was also the interesting side of better purchase prices and the effects of buying in bulk.
2) (*K.Slippens)* Sligro always tried not to be too didactic. If society asked for something and it was legal, Sligro believed that it was also its job to ensure that it was available to the customer. Sligro was certainly not pushing the boundaries. For example, Sligro's annual report had contained an account about laughing gas, a product intended for the use of whipped cream chargers in the hospitality sector, but was found to be misused on a large scale for all sorts of other things that were not incidentally prohibited by law. Sligro had halted the sale of this product, which had cost it €1 million in sales because it felt that something was clearly happening that the law had never intended. This was why Sligro had made the decision. If the sale of tobacco was restricted further, Sligro would apply the appropriate rules. Mr Slippens said that he shared the view that the trend in the sales of tobacco, in any event excluding excise duties, would certainly not increase over the next few years. He said that he thought that the distribution of sales across the various customer segments meant that Sligro was not running an irresponsibly high risk. Mr Slippens commented that he knew competitors that were very dominant in that one segment and that would have many more problems.

Mr Van Hoek asked the following question:
So Sligro had sold EMTÉ. He asked how the buyers, i.e. Jumbo and Coop, thought they could change the EMTÉ format so that they were happy with it.

This question was answered as follows:
(*K.Slippens)* Mr Slippens said that he would pass this question on to Frits van Eerd, but was not sure that he was in the room. He said that he did not think the problem was so much about sorting out EMTÉ 3.0, but much more about the major investments that Sligro felt were necessary in the Food Retail market. These investments were also needed in the Foodservice market, but Sligro was a major player in this market and a small player in the Food Retail market. A lot more needed to happen before it could join the group of major players, not least because this market was becoming more and more international. The top four Food Retail businesses in the Netherlands were Albert Heijn, Jumbo, Lidl and ALDI. Of these four, three were large international groups, generating a maximum of 10% of their sales in the Netherlands. Sligro thought that this was a market in which the question was whether, with its relatively limited position, Sligro still had much of a place in the future. Jumbo was a larger player in the Netherlands in any event. He said that he thought that the two companies would incorporate EMTÉ into their own network, but what their figures were and what they planned to do was up to the buyers and not Sligro.

Mr Spanjer asked the following questions:
1) On page 7 of the annual report, in the section on CSR, reference was made to new CSR targets for 2030 and the exploration of the three core themes: People, the Environment and the Product range into six trend lines and/or main subjects. Mr Spanjer said that unfortunately he was unable to establish what these six trend lines were and asked whether more information could be provided.

2) On page 21 of the annual report, Sligro referred to one of its strategic goals as the goal to grow Foodservice in Belgium to a top three position. Mr Spanjer asked what additional sales were needed for this because on page 30 it was stated that in Belgium Sligro had a market share of 3.4% and according to the table, was already in third position.

These questions were answered as follows:
1) (*K.Slippens)* The six trend lines were listed on page 62 and were health, food waste, sustainable product range, more efficient chains, energy and other.
2) (*K.Slippens)* Technically speaking, Mr Spanjer was correct and that in terms of sales, Sligro was already number three and it should try to hold this position in any event. Sligro's ambition was to rise further in the top three, not only in terms of sales, but also in its market role. Sligro's ambition was to adopt a pioneering role, for example, when it came to sustainability and similar issues.

Mr Rienks asked the following questions:
1) Mr Rienks said that he had not heard Mr Van de Sluijs mention it, but he would like to hear from him what the status was in terms of the opportunities to repay debts with the funds received. There were debts of approximately €200 million. Essentially, these were all fixed-term and fixed-interest loans and often a penalty had to be paid on early redemption. Mr Rienks therefore wanted to see an overview of the options for doing this and whether Sligro thought it would be a sensible thing to do?
2) How did Sligro plan to grow in Belgium? He understood that this was not yet being considered because the IT system had to be operational first and the existing businesses also had to be integrated. That was clear, but what should Sligro do afterwards? Mr Rienks said that it was possible to grow in two ways: by means of acquisitions or organically. It was possible to make piecemeal acquisitions, but Mr Rienks had the impression that Sligro was buying up small companies in Belgium that had only one, two, three or no more than four tenths of a percent of market share and which were also different from what Sligro had. It was then necessary to remodel and reorganise the companies. Mr Rienks said that what Sligro was effectively buying was a customer base, but that customer base might disappear in the meantime. He asked whether it would not be more sensible for Sligro to harness its own strength and not to make piecemeal acquisitions, but to try to grow organically.

These questions were answered as follows:
1) (*R. van der Sluijs*) Mr Van der Sluijs thanked Mr Rienks for his question. Mr Van der Sluijs admitted that he had not yet said very much about the financing. It was true that early repayment was possible with the type of financing in place, but part of the interest would be payable too. It was not therefore expected that Sligro would repay these loans early. Sligro's philosophy in relation to financing and the amount of debt had not changed spectacularly compared with the past. It wanted to adopt a conservative financing strategy. On the one hand, it did not want to be heavily dependent on lenders. On the other hand, it also wanted to retain its strength to be able to act quickly if attractive acquisition opportunities arose without having to have a complex financing discussion first.

In that light, Sligro would also assess what it would do with the proceeds from the EMTÉ transaction. It would review a number of issues in this respect. Sligro wanted to be ready to grow more quickly in Belgium, the Netherlands and perhaps another country in a number of years. Sligro's financing structure would also have to be ready for this of course. Sligro also wanted to ensure a good dividend for its shareholders, while at the same time reviewing its dividend policy as it had defined it and looking at the opportunities to continue that policy in the years ahead. This had been an exceptional year with a large cash income from the sale of Food Retail, with various other items in the other direction. Sligro thought that ultimately, if it reviewed this, a significant proportion

of the cash income would be surplus if there were no acute destination to invest it in acquisition opportunities or otherwise. He said that it was quite possible that Sligro would allow some of it to flow back to the shareholders in the form of an extra dividend.
2) (*K.Slippens*) Sligro's vision for growth in Belgium covered two axes, both organic and via acquisitions. Mr Slippens agreed that organic growth was often the most stable form of growth and said that he thought that growth could be achieved in two ways. On the one hand, by having more outlets and on the other by delivering a larger product range to existing customers. In terms of the acquisition opportunities, there were lots of small business that were less interesting for Sligro to buy, but that there were still a few wholesalers that would be of interest to Sligro.

Mr Dekkers asked the following question:
Mr Dekkers said that he understood that the Belgians sometimes complained about the fact that it was much more difficult to work at night. He asked whether this played a role in Sligro's activities when it was considering delivering from Belgium to Belgium or from the Netherlands to Belgium?

This question was answered as follows:
(*K.Slippens*) Sligro would certainly include this aspect in its supply chain vision for Belgium. Sligro definitely worked at night at JAVA and ISPC, too. It also believed in principle that the best way to serve the Belgian market was from Belgium, but that did not mean that everything had to be done from Belgium.

Mr Jorna (V.E.B.) asked the following questions:
1) How much did Sligro estimate the Heineken deal would be worth in terms of cross selling?
2) In Foodservice, how did Sligro plan to prevent other parties from taking customers away in the context of blurring with knock-down prices, for example?

These questions were answered as follows:
1) (*R. van der Sluijs*) When it came to upselling, Sligro certainly saw opportunities. It had set the ambition for itself to add an additional percent in the delivery sector over a period of three to four years, during which there would also be integration, which would amount to around €100 million. Sligro would move towards this in small stages.
2) (*K.Slippens*) Mr Slippens pointed out that blurring occurred mainly in the consumer market, for example, setting up restaurants in supermarkets and that type of thing. However, Sligro was also seeing Food Retail players, particularly from the online channel, also dipping their toes in the Foodservice market. This was also happening in the healthcare market, among other markets. This meant that Sligro had to ensure that all facets of the foodservice were and remained well organised.

Ms Claessens (V.B.D.O.) asked the following question:
Ms Claessens said that Sligro was very dependent on nature, eco systems and, a great word, natural capital in its business operations. There had been lots of reports about extreme weather conditions, about harvests that were no longer viable or that had failed, about burning and cutting down rain forests for large palm and soy plantations. V.B.D.O. therefore saw a very real risk for Sligro in its dependency on natural capital. How did Sligro see this itself, both now and in five to ten years.

This question was answered as follows:
(*K.Slippens*) In response, Mr Slippens said that this was also how Sligro saw it. The dependence on natural capital applied not only to Sligro, but to everybody and therefore to all people present in the room. This was because we were all dependent on not depleting a number of natural sources. Sligro Food Group was also seriously engaged with

this. Sligro's buyers had a very good grasp of the most sensitive commodities. Sligro tried to play its part in this, for example, via covenants. It was also working with smarter chains to reduce waste.

Mr Spanjer asked the following question:
On page 55, first column, fourth paragraph, it was stated that there had been rising absenteeism and absenteeism rates that were too high in 2017. He asked whether this was the case at EMTÉ or at Sligro's wholesalers. He said it was not clear to him.

This question was answered as follows:
(*K.Slippens*) Mr Slippens responded by saying that absenteeism occurred throughout the business. In 2017, it had been very slightly higher than in 2016. And, it was true, that Sligro believed that it was too high. At EMTÉ it was lower than in the rest of the business and this was because relatively more on-call staff worked at EMTÉ and they were not called in if they were ill.

4. Financial statements

4.a. Implementation of the remuneration policy in 2017

If, as is the case, the business of the meeting includes adoption of the financial statements, the implementation of the remuneration policy has to be included as a separate item on the agenda before the resolution to adopt the financial statements.

The remuneration policy was published on the sligrofoodgroup.nl website. It had been approved by the shareholders last year during the AGM on 23 March 2016 and has remained unchanged since then.

All the remuneration reports from 2005 onwards, including the report on the previous year, 2017, have also been published on the website. Remuneration details were also disclosed in the 2017 annual report, on page 135.

Mr Rijna stated that there had been no change in the implementation of the remuneration policy in 2017 compared with other years.

Mr Jorna (V.E.B.) asked the following question:
Mr Jorna said that it might sound a bit sharp, and it was not intended to be, but now that EMTÉ had disappeared, would Sligro be adjusting the level of remuneration of the Executive Board in line with the lower sales and smaller size of the company?

This question was answered as follows:
(*F.Rijna*) In response, Mr Rijna said that this was not planned and that a number of very large new projects had been added: Heineken, the expansion in Belgium, the implementation of a new ERP system. He said that he felt that was enough of a challenge and that it also offered potential future growth. There were therefore no grounds for amending the remuneration policy.

4.b Presentation on the audit of the financial statements

For this item, the chairman gave the floor to Mr Jan Hendriks, partner at Deloitte Accountants, Sligro Food Group's auditors. He had ultimate responsibility for the audit of the Sligro Food Group's 2017 financial statements and, in that capacity, gave a presentation covering the external auditors' examination of the Sligro Food Group 2017 financial statements. For the content of this presentation, reference was made to the presentation slides shown by Mr Hendriks, published on the sligrofoodgroup.nl website (Annual General Meeting of Shareholders 2018).

In response to Mr Hendriks' presentation, Ms Burmanje asked the following question:
She commented that the key points of the audit had just been cited. Her question was, given the earlier presentation by the Executive Board on the huge task relating to IT and the substantial associated investment, whether this should not be one of the key points of the audit.

This question was answered as follows:
(*J. Hendriks*) Mr Hendriks replied in response that the quality of the IT systems accounted for a large part of the work and Deloitte IT auditors had been involved with this. It had been established that the processes and procedures relating to IT, the reliability of the data processing and the continuity of the data processing were adequate. As a consequence, the audit team had been able to rely on the IT systems for a significant element of its audit work.

Mr Spanjer asked the following question:
Mr Spanjer stated that in the auditors' report, it had been explained that in connection with the independence rules for auditors, another audit firm had been engaged for audit work at ISPC. He asked which firm this was.

This question was answered as follows:
(*J. Hendriks*) Deloitte in Belgium would normally conduct the audit for all Belgian group units. Because of the independence issue, it had been decided to arrange for independent auditors to carry out the work for ISPC, of course, managed and working with the same quality standards imposed by the audit team in the Netherlands. The audit firm that had carried out the work was 3B Accountants.

4.c. Adoption of the 2017 financial statements (resolution)

The chairman opened the floor to questions on the financial statements, which formed the second part of the annual report (from page 113).

Thereafter the chairman announced that the resolution had been carried and the 2017 financial statements had been adopted

number of shares on which votes were cast	:	38,897,401
votes for	:	38,893,216
votes against	:	0
abstentions	:	4,185

4.d. Profit retention and dividend policy

The profit retention and dividend policy had not been changed.

Sligro Food Group aimed to achieve a *regular* dividend of approximately 60% of the profit after tax, excluding the extraordinary result. The dividend would be paid in cash.

Depending on the development of the solvency and liquidity position, a proposal could be made to declare a *variable* dividend.

The dividend would be paid in two instalments, consisting of an *interim dividend* in the second half of the year and a *final dividend* after the Annual General Meeting of Shareholders. The interim dividend would, in principle, be set at half the regular dividend of the previous year.

Mr Jorna (V.E.B.) asked the following question:
Mr Jorna asked whether Sligro should not be concerned that there would be insufficient funds for the dividend as a result of the sale of EMTÉ?

This question was answered as follows:
(*R. van der Sluijs*) No.

4.e. Adoption of the profit appropriation for 2017 (resolution)

This agenda item concerned the application of the profit retention and dividend policy.

With the approval of the Supervisory Board, the Executive Board proposed that the profit be appropriated as stated on page 165 of the annual report.

The earnings per share were €1.83 compared with €1.67 in 2016.

It was proposed to distribute a regular dividend for 2017 of €1.10 per share, which was €0.10 more than the regular dividend for 2016. This represented a (rounded) pay-out ratio of 60%.

In view of the strong solvency and liquidity position, it was also proposed to distribute a variable dividend for 2017 of €0.30, equal to the variable dividend for 2016.

The total dividend was therefore €1.40 compared with €1.30 in the previous year.

Of the total dividend, €0.50 per share had been paid as an interim dividend on 2 October 2017, leaving a final dividend of €0.90.

The dividend would be payable on 4 April 2018.

The resolution adopting the profit appropriation for 2017 was approved by the meeting

number of shares on which votes were cast	:	38,897,401
votes for	:	38,897,401
votes against	:	0
abstentions	:	0

4.f. Ratification of the actions of the Executive Board in respect of its management (resolution)

The meeting ratified the actions of the Executive Board in respect of its management in 2017

number of shares on which votes were cast	:	38,897,401
votes for	:	38,893,216
votes against	:	0
abstentions	:	4,185

4.g. Ratification of the actions of the Supervisory Board in respect of its supervision (resolution)

The meeting ratified the actions of the Supervisory Board in respect of its supervision in 2017

number of shares on which votes were cast	:	38,897,401
votes for	:	38,893,216
votes against	:	0
abstentions	:	4,185

5. Authorisation of the Executive Board to repurchase the company's own shares (resolution)

As stated in the notes to the agenda, it was proposed to authorise the Executive Board, for a period of 18 months, to purchase the fully paid shares in Sligro Food Group N.V., either on the stock exchange or privately, up to a maximum of 10% of the issued capital and for a price of no more than 10% above the market price at the time of the transaction, provided that any such decision by the Executive Board had the approval of the Supervisory Board. The authorisation would be valid until 21 September 2019.

The resolution was carried

number of shares on which votes were cast	:	38,897,401
votes for	:	38,885,601
votes against	:	11,800
abstentions	:	0

6.a. Extension of the period for which the Executive Board is authorised to issue shares (resolution)

It was proposed to extend the Executive Board's authority to issue shares granted on 22 March 2017 for 18 months from today, therefore to 21 September 2019, provided that any such decision by the Executive Board had the approval of the Supervisory Board. It was also proposed to limit the authorisation to 10% of the issued capital, plus 10% if the issue was part of a merger or takeover.

The resolution was carried

number of shares on which votes were cast	:	38,897,401
votes for	:	37,971,517
votes against	:	925,884
abstentions	:	0

6.b. Extension of the period for which the Executive Board is authorised to restrict or suspend pre-emptive rights of shareholders on the issue of shares (resolution)

It was proposed to extend the Executive Board's authority to restrict or suspend pre-emptive rights of shareholders on the issue of shares granted on 22 March 2017 for 18 months from today, therefore to 21 September 2019.

Mr Van Erum (134 shares) voted against the proposal.

The resolution was carried

number of shares on which votes were cast	:	38,897,401
votes for	:	37,701,786
votes against	:	1,195,615
abstentions	:	0

7. Remuneration of supervisory directors (resolution)

Mr Rijna explained this agenda item.

He explained that it was customary for the remuneration of the supervisory directors of Sligro Food Group N.V. to be reviewed every three years.

Remuneration was last amended in 2015. From 1 April of that year, the remuneration of the chairman of the Supervisory Board was €50,000 and the remuneration of a member of the Supervisory Board was €35,000. In addition, the chairman and a member of a committee received a fee of €2,500 for each committee meeting. In principle, this amendment applied to the period 1 April 2015 to 31 March 2018.

It was now being proposed to amend the remuneration for the period from 1 April 2018 to 31 March 2021. The proposed remuneration of the supervisory directors reflected the time spent and the responsibilities of the role. The remuneration was not dependent on the performance of the company and supervisory directors were not granted any shares and/or rights to shares by way of remuneration.

Bureau Korn Ferry (Hay Group) had been engaged by Sligro Food Group to investigate the level of remuneration of Supervisory Boards by carrying out a market benchmarking exercise at businesses listed on the Amsterdam MidKap Index (“AMX”).

Sligro’s remuneration policy aimed to have remuneration that was a maximum of the median.

By increasing the remuneration of a Supervisory Board member from €35,000 to €40,000 per annum, the remuneration would remain well below the median.

By increasing the remuneration of the chairman of the Supervisory Board from €50,000 to €57,500 per annum, the remuneration would remain well below the median.

With due regard for the above, it was proposed to adjust the annual remuneration of the supervisory directors (excluding an expense allowance of €50 per month) for the period 1 April 2018 to 31 March 2021 as follows:

	1 April 2015 to 31 March 2018	1 April 2018 to 31 March 2021
Chairman SB	**€50,000 per annum**	**€57,500 per annum**
Member SB	**€35,000 per annum**	**€40,000 per annum**
Chairman/member AC	€2,500 per meeting	€2,500 per meeting
Chairman/member R&BC	€2,500 per meeting	€2,500 per meeting

The remuneration for committee meetings remained unchanged at
€2,500 per committee meeting

Mr Jorna (V.E.B.) asked the following question:
Mr Jorna commented that Sligro also paid a holiday allowance for each meeting. If the holiday allowances were added to the fixed amount, would the picture be the same in relation to the median? And, this was certainly not the case, but did paying a fee per meeting not provide a perverse incentive?

This question was answered as follows:
(*F.Rijna*) By making a comparison with the median, Sligro had looked at what was paid. These amounts were approximately the same. The payments per meeting did not distort the picture. And the possibility of a perverse incentive by paying a fee for each meeting was not something Sligro was worried about.

Mr Rienks asked the following questions:
1) Mr Rienks asked why the amount per meeting was not being raised.
2) Mr Rienks said that he had not heard that the amount of time spent had increased. This was often an argument put forward by supervisory directors to increase the payment. Did this also play a role here?

These questions were answered as follows:
1) (*F. Rijna)* Sligro felt that it was appropriate to be cautious when it came to increases. This was also the reason why it had not been suggested to increase the payment per meeting.
2) As had already been pointed out, the increase reflected the increased responsibilities, among other things. This also meant that there would have to be more meetings, including regular meetings and additional telephone meetings. This was all part of the job.

Mr Tse asked the following question:
What was the median amount for the chairman and what was the median amount for a member of the Supervisory Board.

This question was answered as follows:
(F. Rijna) Mr Rijna informed the meeting that he would need to look this up.
(*R. van der Sluijs)* With the proposed amounts, the payment of the chairman was still below the twenty-fifth percentile and the payment for a member of the Supervisory Board was around the twenty-fifth percentile. He said that he would be able to show this to Mr Tse after the meeting should he be interested.

The resolution to amend the remuneration was passed

number of shares on which votes were cast	:	38,897,401
votes for	:	38,897,401
votes against	:	0
abstentions	:	0

8.a. Proposal to amend the Articles of Association

Mr Rijna explained this agenda item.

Article 28, paragraph 1 of the current Articles of Association of Sligro Food Group N.V. read as follows: ‘A supervisory director shall retire no later than the close of the Annual General

Meeting of Shareholders, which shall be held in the financial year in which he or she reaches the age of sixty-seven years.'

It was proposed to delete Article 28, paragraph 1 of the Articles of Association of Sligro Food Group N.V. in its entirety. As a consequence, the current Article 28, paragraphs 2 to 5 would be renumbered Article 28, paragraph 1 to Article 28 paragraph 4.

The current Articles of Association and the draft deed of this partial amendment of the Articles of Association were attached separately to the agenda of the meeting.

Instead of this provision in the Articles of Association, the following provision would be included in the Profile of the Supervisory Board: 'A supervisory director shall sit on the board until the customary retirement date in the Netherlands.'

These amendments more closely matched the social developments in the field of the retirement age.

Sligro's goal remained to have a relatively young Supervisory Board that was a good match for the day-to-day practice of running an organisation such as Sligro.

Mr Rienks commented as follows:
Mr Rienks felt that it would be a better idea if the age limit was scrapped altogether. Although Sligro wanted a relatively young Supervisory Board, it did not currently have one, because otherwise there would be somebody in their 40s on the board. Sligro could of course actively look for somebody in this age group when the next vacancy arose, but on the other hand, Mr Rienks did not think there would be any objections to a retired supervisory director given that pensioners were not an unimportant consumer group in the Netherlands.

This comment was responded to as follows:
(*F. Rijna)* The proposal involved scrapping the age limit altogether in the Articles of Association and also to adopt the customary retirement age in the Netherlands. This offered scope for flexibility.

Messrs Rienks (158 shares) and Broenink (2 shares) voted against the proposal.

The resolution to amend the Articles of Association was carried

number of shares on which votes were cast	:	38,897,401
votes for	:	38,897,241
votes against	:	160
abstentions	:	0

8.b. Resolution to authorise each member of the Executive Board, the Secretary of the Company and Houthoff to sign the deed amending the Articles of Association

The resolution to amend the Articles of Association was carried

number of shares on which votes were cast	:	38,897,401
votes for	:	38,897,401
votes against	:	0
abstentions	:	0

8. Any other business and adjournment

Mr Van ‘t Riet asked the following question:
A couple of years ago, Sligro had a fantastic logistics IT system. Was this system being dispensed with because Sligro wanted a totally new IT system?

This question was answered as follows:
(*R. van der Sluijs*) Mr Van der Sluijs responded by saying that he thought Mr Van ‘t Veld was referring to Sligro’s paperless order collection system, PLOP. It was perfectly possible to insert this technology into a new IT landscape. Sligro would look at all the good elements that already existed and establish how they could be used. Where this technology specifically added something to its process and if it was unique, Sligro would certainly try to retain it. Where it was better to switch to a new standard, it would certainly do so, but PLOP was technology that was here to stay.

Mr Spanjer asked the following questions:
1) In its annual report, Sligro had stated that it had broken ties with a supplier in 2017 because the supplier had not complied with the BSCI conditions. In addition, there had been the Fipronil issue, which had led to major recall actions in relation to eggs. Did this therefore mean that Sligro would be looking for a new egg supplier?
2) Sligro had a 45% stake in the SPAR organisation. What did it plan to do with it and was the stake also included in the sale with Jumbo and Coop?

These questions were answered as follows:
1) (*K.Slippens*) Mr Slippens responded that a supplier had been dropped because it had not complied with the BSCI rules. In the case of recalls, Sligro felt it was correct not to discourage suppliers by punishing them, which could mean that suppliers would no longer carry out the necessary recall procedures. And it was usually in the interests of food safety that this was properly managed. Sligro had not ended its relationship with its egg supplier because there was no reason to do so. It bought its eggs from various suppliers to recover and maintain its stocks of eggs. This had of course been quite a challenge over the past year.
2) (*K.Slippens*) SPAR was not part of the sale to Coop and Jumbo and this had been done deliberately. There were two reasons for this. Sligro owned 45% of the shares in SPAR, so technically, SPAR as a whole could not be made part of the deal with Jumbo and Coop. In addition, SPAR was very much in a state of flux and was busy developing from a traditional neighbourhood supermarket in the smaller villages to more of a convenience player. Looking at the future, there were two options. The first option was for SPAR to remain an old-fashioned neighbourhood supermarket. In that case, it would be an interesting investment for Sligro, but strategically, it would be of little benefit. The second option was for SPAR to develop further into a convenience player between Foodservice and Food Retail, which would also be strategically interesting for Sligro. Given the good return, there was no reason to make any overly hasty decisions.

Mr Hemmes asked the following questions:
1) First of all, Mr Hemmes had an additional question about SPAR. In the annual report, SPAR had a return of approximately 2% and Foodservice a return of around 5.5%. Why then was SPAR’s return such a good one?
2) Part of the EMTÉ deal was that Sligro would deliver to La Place. Could Sligro give an indication of what that would mean in terms of sales?

These questions were answered as follows:
1) (*K.Slippens*) Sligro looked at the developments at SPAR, and it received a good dividend

every year that had only risen in recent years. This was an important assessment criterion and Sligro continued to look at this critically.
2) (*R. van der Sluijs)* It was not yet possible to give exact sales figures, but they were around €30 million per year.

Mr Snoeker asked the following question:
How could he obtain an answer to all the questions that out of modesty had not been asked?

This question was answered as follows:
(F. Rijna) Sligro collected the written questions submitted by shareholders in the weeks prior to the meeting and it tried to respond to these questions in the presentations given by Koen and Rob. Mr Rijna said that if there were any questions after the meeting, there would still be an opportunity to address them.

Ms R. Moennasing (V.B.D.O.) asked the following question:
Her question was about diversity. What initiatives were being taken to encourage more women onto the Executive Board and the Supervisory Board.

This question was answered as follows:
(F. Rijna) First of all, Mr Rijna said that he wanted to answer the question in relation to the Supervisory Board. Sligro considered first of all the type of person it wanted on the Supervisory Board. It looked at competencies and also at the culture. Did a candidate fit in with the culture of Sligro Food Group? It was only after looking at these two aspects that Sligro looked at diversity and diversity targets. In the most recent recruitment process, which had resulted in the appointment of Mr Van der Weerdhof, Sligro had expressly looked for a female, but was unable to find a female candidate based on the competencies described. He said that if he looked at the Executive Board, the situation was that Sligro based its decision on longstanding service and the Board was currently made up of three men.

The chairman announced that after the meeting, there would be an opportunity to tour the ZiN inspiration centre.

There being no other business, the chairman closed the meeting, thanking everyone for their contributions.

The chairman, F. Rijna

The company secretary, G.J.C.M. van der Veeken