Minutes of the General Meeting of Shareholders held on 19 March 2014

Minutes of the General Meeting of Shareholders of Sligro Food Group N.V., held at 11:00 on 19 March 2014 at the company's offices in Veghel.

Present:
Supervisory Board: Mr A. Nühn, Ms Th.A.J. Burmanje and Messrs R.R. Latenstein van Voorst and B.E. Karis;
Executive Board: Messrs K.M. Slippens, H.L. van Rozendaal and W.J.P. Strijbosch;
company auditors: Mr P.W.J. Smorenburg of KPMG;
Chairman of the Works Council: Mr R. Heijberg;
the shareholders and other invited guests.

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

The agenda 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 555,000 had been repurchased by the company. No voting rights were conferred by the repurchased shares so that the number of shares with voting rights was 43,700,015. The number of shareholders attending in person or represented by proxies was 135, together representing 38,476,127 shares, or 88.0% of the number of shares with voting rights.

No holders of a right of 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 votes unless prescribed otherwise by law or the Articles of Association. Resolutions concerning an amendment of the Articles of Association required two-thirds of the votes cast which also represented more than half of the issued share capital.

The chairman then made the following announcement. Item 7 on the agenda of the meeting was a resolution proposing amendment of the Articles of Association. The Executive Board had now decided to withdraw part 7.1 of the resolution, concerning a change to the right to have items added to the agenda of shareholders' meetings, which would therefore not be put to the vote. When it came to item 7 on the agenda, therefore, the meeting would exclusively consider part 7.2 of the amendment of the Articles of Association.

2. Minutes of the General Meeting of Shareholders of Sligro Food Group N.V. held on 20 March 2013

The minutes of the General Meeting of Shareholders held on 20 March 2013 had been signed by the chairman and the company secretary in accordance with Article 39 of the Articles of Association. The minutes had immediately been made available to the shareholders, including posting on the websites www.sligrofoodgroup.nl and www.sligrofoodgroup.com. 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 2013 financial year

The chairman explained the business to be transacted in relation to items 3 to 5 on the agenda. Item 3 concerned the Directors' Report i.e. the first part of the annual report, up to page 87. Thereafter, item 4 concerned the financial statements. They were in the second part of the annual report, commencing on page 88. Item 5 concerned the profit retention and dividend policy. The chairman stated what topics would be covered in connection with these agenda items and who would be giving the presentation. The chairman also mentioned that he would be saying when there was an opportunity for the shareholders to put questions on the matters under consideration.

Introduction (K.M. Slippens)

Mr Slippens welcomed those present and expressed his satisfaction at the high percentage of shareholders entitled to vote represented at the meeting. That figure was considerably higher than the expected turnout for the Municipal Council elections being held on the same day. He suggested that a possible explanation was that Sligro Food Group shareholders attending the shareholders' meeting that day would get the opportunity to vote no fewer than eight times whereas only one vote could be cast in the Municipal elections.

Mr Slippens drew attention to the full agenda. This was partly because the Executive Board had a great deal to tell the shareholders about the developments within Sligro Food Group but it was also a consequence of the steadily increasing amount of regulation which made it mandatory to include a number of topics in the business of the shareholders' meeting. The Executive Board, incidentally, did not have the slightest problem with that but it did mean that it was necessary to keep the meeting moving along at quite a speed. For that reason, the Executive Board was considering starting the general meeting of shareholders half an hour earlier as from the following year, i.e. commencing at 10:30 instead of the hitherto usual time of 11:00. The Executive Board had yet to take a decision on this starting time but there would be clear communication in that event.

After the introductory remarks, Mr H. van Rozendaal would be presenting the 2013 results. Mr Slippens would then talk about the commercial developments of the preceding year. After that, Mr W.J. Strijbosch would be giving a presentation on a special topic, which would obviously on this occasion be devoted to the revamp of the Sligro format under the name 'Sligro 3.0' which had been launched in the new Sligro Cash-and-Carry Outlet opened the previous week in Maastricht. All the presentations would be published on the Sligro Food Group website after the adjournment of the general meeting of shareholders.

2013 results (H.L. van Rozendaal)

Mr Van Rozendaal began his presentation of the figures with the profit and loss account.

Total sales in 2013 had increased by 1.3%, from €2,467 million in 2012 to €2,498 million in 2013. The distribution across the three business units Foodservice Cash-and-Carry, Foodservice Delivery and Food Retail (Supermarkets) remained roughly one third each. The Foodservice Delivery unit was growing faster than the two other units. That was partly due to the acquisition of Van Oers and the acquisitions in the current year would also mean that that business unit continued to grow. Commenting on the sales growth, Mr Van Rozendaal mentioned that the change in the method of levying VAT on tobacco which had come into effect on 1 July 2013 meant that sales in 2013 were down by around €27 million as a consequence. Additionally, the increases in duty had resulted in a drop in tobacco sales of approximately €16 million, particularly at service stations in the border regions.

Those effects on tobacco (VAT and duty) largely also explained the rise in the gross margin percentage from 22.6% in 2012 to 23.1% in 2013, accounting for a 0.4 point increase. However, since the same effects also applied to costs, there had been neither improvement nor deterioration in the result. 0.1 of a percentage point of the improvement in the margin resulted from price recovery in the first three quarters of 2013 in Food Retail.

Costs had risen from €419 million 2012 to €440 million in 2013. Apart from the previously mentioned effects on tobacco (VAT and duty), the increase was due to non-recurring integration costs for Van Oers, relatively more delivery costs (partly due to Van Oers), higher costs for ICT, a structural increase in social security charges and higher pension costs. The increase in pension costs was partly due to a change in the rules and it had not, incidentally, been accompanied by an increase in the pension contributions payable.

The above meant that the operating result (EBITA) for 2013 had remained the same as for 2012 in percentage terms, at 4% (2012: €99 million and 2013: €101 million). Foodservice EBITA had fallen slightly, under difficult conditions. In contrast, Food Retail EBITA had increased relatively strongly, although tending to plateau as the year progressed.

Net profit for 2013 was €68 million, and was €1 million down on the result for 2012, which, incidentally, had been restated at €69 million, owing to changes in accounting rules for measuring pension liabilities, applied retroactively.

The segmented analysis of the results showed that EBITA, totalling €101 million, was made up of EBITA of €86 million for Foodservice and EBITA of €15 million for Food Retail.

The free cash flow for 2013 was €101 million, which was partly due to another considerable reduction in working capital. The free cash flow was partly used for the payment of dividends.

The dividend for 2013, which would be dealt with shortly as item 4 d on the agenda, was made up of two components: a regular dividend of €0.80 per share and a variable dividend of €0.25 per share, making a total, as in the previous year, of €1.05 per share. With approximately 44 million shares, that meant a dividend distribution of approximately €46 million. As part of efforts to spread available resources, the Executive Board proposed to pay the dividend in future in two parts, by paying an interim dividend and a final dividend. Since there was adequate cash available, the intention was also to pay the first interim dividend on 20 October 2014. The amount of the interim dividend would in principle be set at 50% of the regular dividend for the preceding year. In 2014, this intention meant an extra one-off dividend payment during the year. On top of the dividend for 2013, amounting to €1.05, another €0.40 (= 50% * €0.80, being the regular dividend for 2013) would be distributed on 20 October 2014 if the intention was carried out. That would make the total dividend per share payable in 2014 €1.45. In 2015, that extra dividend would not be applicable. Mr Van Rozendaal went on to give a worked example, based for the sake of clarity on the assumption of unchanged figures. In that example, the total per share in 2015 amounted to €1.05, comprising a final dividend for 2014 of €0.65 (= €1.05 dividend for 2014, made up of €0.80 regular dividend and €0.25 variable dividend, less the interim dividend of €0.40 made payable in October 2014) plus an interim dividend for 2015 of €0.40 (being 50% of the regular dividend for 2014).

Commercial developments in 2013 (K.M. Slippens)

Mr Slippens gave a presentation on the commercial developments in 2013 for the two market segments in which Sligro Food Group was active: Food Retail and Foodservice. For each segment he gave an explanation of the market developments, the developments within Sligro Food Group and the plans for 2014 and beyond. He began his presentation with Food Retail, then went on to talk about Foodservice.

The Dutch food retail market in 2013 in value terms had grown by approximately 1.8%. The volume of that market in 2013 had remained fairly steady compared with 2012. In the first half of 2013, there had still been healthy growth but the food retail market had fallen back from the summer onwards. The average spend had been squeezed as consumers sought cheaper alternatives, including own label products and special offers. The pressure on prices had intensified from September onwards, owing to price cutting by the market leader.

The analysis of market shares showed that, although the market leader’s share of the market in 2013 had increased overall, because it had also bought new supermarkets, the market leader had in fact lost market share on a like-for-like basis in 2013. It was also noteworthy that the market share of the hard discount formats had risen sharply. EMTÉ’s market share had remained steady, at 2.7%. An encouraging development for EMTÉ had been the improved rating for EMTÉ in the GfK Christmas Report 2013.

Like-for-like sales at EMTÉ had grown by 1.9%, slightly outperforming the market. That growth had been seen particularly in the former Sanders supermarkets and the franchise stores. The partnership between EMTÉ and Sligro Food Group’s Foodservice division had continued to improve in 2013, as was particularly relevant in EMTÉ’s attempt to become the tastiest supermarket in the Netherlands. After having previously won first prize in the vote for the best meat department in a Dutch supermarket, EMTÉ had won both the prize for best meat department and the prize for best bakery department in 2013.

Within EMTÉ, a great deal of effort was put into the Food Retail Long-Term Plan that had also been presented to the shareholders’ meeting the previous year. Examples of this were the launch of the OK€ value label in conjunction with several other Superunie members, building the EMTÉ brand through TV commercials, cutting wastage, strengthening of category management and the development of a modular staffing plan and new system of standard working hours.

There would be ongoing implementation of the long-term plan in 2014. Another important step for EMTÉ in the year ahead was the launch of a loyalty plan. The positioning with the strap line ‘we love food’ would also be pursued with even greater focus. In addition, extra attention would be devoted to reducing costs in 2014.

Mr Slippens continued his presentation with the Foodservice division. In 2013, consumer spending in the foodservice market had fallen by 2.5%. In terms of wholesale value, the market had actually declined by 4.5%, 1.5 percentage points of this fall, incidentally, being a consequence of the VAT effect on tobacco sales mentioned by Mr Van Rozendaal. On top of that, the foodservice market had already been declining for a number of years in succession.

The analysis of foodservice market shares in 2013 showed that the share of Sligro Food Group in the market had again grown, from 19.9% in 2012 to 21.2% in 2013. Foodservice Cash-and-Carry sales had fallen in line with the market but sales of Foodservice Delivery had grown by more than 6%. The challenging market conditions in 2013 had, however, produced some pressure on results.

2013 had seen foodservice sector awards for the first time. Sligro Food Group won the first prize in the Wholesalers category. The integration of Van Oers had been successfully completed in 2013. A high percentage of the customers had been retained and the integration of the workforce had also gone smoothly. An important development in 2013 had been the ‘Sligro 3.0’ project, which Mr Strijbosch would be saying more about shortly. Van Hoeckel, sharply outperforming the market once again in 2013, had continued to do well in the institutional market. Apart from the upgrades of the Cash-and-Carry Outlets in Gorinchem and Hilversum, a new Delivery Service Distribution Centre had been commissioned in Venray in 2013. Delivery Service sales from the delivery centres in Maastricht and Haps had been transferred to the new site. A start had also been made in 2013 with establishing a small organisation that would focus totally on the Belgian market. Finally, a cost-saving programme had been implemented in Foodservice, largely aimed at reducing wage and transport costs.

At the beginning of 2014, the foodservice companies Rooswinkel and Horeca Totaal Sluis had been taken over. Those companies would be integrated into the organisation in the course of 2014. A new Delivery Service Distribution Centre was being built in Lansingerland in 2014 and would be commissioned before the end of the year. The delivery activities of the delivery centres in The Hague and Barendracht would be transferred to the new site. Following the opening of the new Cash-and-Carry Outlet in Maastricht in the new ‘Sligro 3.0’ format, three more Cash-and-Carry Outlets were to be upgraded in 2014.

Sligro 3.0 (W.J. Strijbosch)

At the end of 2012, under the working title ‘Sligro Revitalisation’, a start had been made with preparations for a project that had subsequently become known by the name ‘Sligro 3.0’. The preparations had taken six or seven months, and work had started on the detailing and implementation phase of the various parts of that project after the end of summer 2013.

Sligro focused on serving customers both large and small in the hospitality sector, the leisure sector, the catering trade, service stations and large-scale users via two channels (Wholesale Cash-and-Carry and Wholesale Delivery Service). Sligro's market position in 2013 had grown to a market share of 21.2%, on which it made around 50% of the total profit in the market.

The decision to embark on the revitalisation project had been based on the thinking that, despite the years of outperforming the market, it was time for a change, with new economic times demanding a new approach. Customers' needs were changing and moreover the existing 2.0 generation of the Cash-and-Carry format was more than 10 years old. It was time for the next stage, the decision having been made to 'make hay while the sun shines'.

In connection with the project, the following two key questions had been formulated: (1) How could Sligro continue to grow in a difficult market?; and (2) What did Sligro need to do in order to continue growing more strongly than the market? To answer these questions, a vision had first been developed which had then been translated into a mission. Sligro's vision was: 'Eating tasty, good and honest food is becoming increasingly important to people'. And Sligro's mission was 'We want to make tasty, good and honest food available to all Dutch food professionals and their customers'. Based on that vision and that mission, a brand strategy had subsequently been written with great care and attention, laying down what Sligro stood for and in what direction Sligro wanted to go as the guiding principle. This brand strategy was intended to assist in bringing about the right changes.

Obviously, with the brand strategy, it was not only the intention to outline the long-term vision but also to translate that vision into improved commercial activities designed to produce added value. Those activities – referred to as building blocks – were divided into four groups: (1) Visual Identity; (2) Promotional Activities & Pricing; (3) E-Strategy & CRM; and (4) Format Development.

Those building blocks were combined in the new Sligro Cash-and-Carry Outlet that had been opened with such great pride in Maastricht the previous week. To give an impression of the way in which Sligro 3.0 had been put into practice in Maastricht, a filmed report of the opening was shown. The result was very promising and reactions from customers and staff were very positive. It was the ambition to roll out the new Sligro 3.0 identity across all 47 Cash-and-Carry Outlets. In addition, other aspects such as the organisation of the field staff, category management, e-commerce, CRM, staff training etc. would be further developed, based on the new brand strategy, over the next few years. In short, there was still plenty of scope for improvement.

Prospects (K.M. Slippens)

Mr Slippens then discussed the outlook for 2014. The signs of economic recovery `had not yet been translated into an increase in consumer spending. The food retail market was expected to exhibit slight growth, although that would be accompanied by a fall in volume. The foodservice market was again expected to decline further. In both markets, Sligro Food Group expected to outperform the market in terms of sales. In the foodservice segment, Sligro Food Group was reckoning on an accretion effect from the acquisitions of Van Oers, Rooswinkel and Horeca Totaal Sluis amounting to approximately €55 million.

The drop in sales due to the VAT /duty effect on tobacco in the first six months was estimated at €25 million, of which €20 million related to the foodservice segment. There were also expected to be positive effects from the cost-saving programmes and an increase (non-cash) of €2 million in pension costs.

After these presentations, the chairman invited questions from the floor on the presentations and the directors' report. The chairman requested the shareholders to limit themselves to two concisely worded questions in the first instance, so as to give everyone a 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.

Mr Jorna (V.E.B.) posed the following questions:
1) Was it possible to give a more precise explanation of why the potential acquisitions in Denmark had not gone ahead, and what was then the company's international strategy?
2) Why had Rooswinkel's Belgian outlet not been taken over?
3) Kruidenier had failed and shareholders had read that Sligro had gained a good customer as a consequence. Was the company still interested in other parts of the business?
4) In relation to sales, Horeca Totaal Sluis had far fewer staff compared with Rooswinkel. Was there scope for synergistic gains with the integration of Rooswinkel?

These questions were answered as follows:
(K.Slippens) Sligro had looked at and evaluated a number of countries. Denmark was one of the countries that had been assessed by the company as having potential for a possible foodservice acquisition. The company was not interested in venturing abroad for food retail, incidentally, as it took the view that it had enough to do in the Netherlands on that front. The first acquisition prospect that had been examined in Denmark concerned a business that was active in food retail as well as foodservice. In the absence of a good solution for the food retail side, a takeover of the company concerned was ultimately not of interest to Sligro. As regards the second acquisition prospect, the management had had a strong preference for a management buyout, which basically meant that Sligro's condition for an acquisition outside the Netherlands, namely the continuation of a strong management committed to Sligro, could not be satisfied. The company currently did not see any other opportunities in Denmark. Another country that had been examined and where Sligro saw opportunities was Belgium. As Mr Slippens had just mentioned in his presentation, the company was concentrating on the opportunities for Foodservice in that country. For the time being, the company would be continuing to supply its Belgian customers from the Netherlands but that could change in due course.
2) Sligro had found Rooswinkel's Belgian outlet unsuitable for takeover by the company because it was in Sligro's eyes too small and also served too many, mainly retail, customers.
3) When Kruidenier had gone into liquidation, customers had looked around for a new supplier. A number of those customers had opted for Sligro. The company was pleased about that but did not want to go beyond that.
4) Mr Jorna was correct in his observation. Sligro saw plenty of scope for redeploying former Rooswinkel staff in suitable roles within the company.

Ms Heijne (V.B.D.O., Vereniging van Beleggers voor Duurzame Ontwikkeling – Association of Investors for Sustainable Development) complimented Sligro Food Group on an extremely transparent directors' report, which in her view had also resulted in a higher transparency benchmark score.

She then went on to pose the following questions:
1) A new theme for the V.B.D.O. was the circular economy. The association wanted to encourage the trend for products to be reused or recycled. It was asking companies to formulate zero waste targets, which, for example, also meant combating food waste. The Sligro Food Group directors' report revealed that the company had already taken substantial steps along that road, particularly with regard to fruit and vegetables and bread, but that, with regard to meat and cheese, the targets had not been met. Had the bar been set too high? If that was not the case, what was the company going to do in the years ahead to actually meet those targets?
2) As regards human rights, Sligro Food Group had taken a number of steps by adopting a policy of only dealing with suppliers with human rights certification. Sligro Food Group had conducted audits of a number of primary suppliers in order to ascertain whether they complied and this had resulted in the termination of business relations with a number of suppliers without the necessary certification. The audits had all concerned primary suppliers. Ms Heijne's question was whether Sligro Food Group intended to conduct audits farther along the supply chain as well, in other words among suppliers of the suppliers?

These questions were answered as follows:
1) *(K. Slippens)* Mr Slippens thanked Ms Heijne for her compliment. Her conclusion that Sligro Food Group had generally succeeded in greatly reducing wastage was correct. On closer scrutiny, it had been felt unrealistic to achieve the target to which she had referred in the space of one year. The company was not going to lower the bar but would be making every effort to meet the target despite everything. An important aspect was the composition of the product range. New products brought with them extra risks as regards wastage. It was a question of finding the right balance. Generally speaking, the company was very much focused on reducing waste streams. Cooperation with its partners in the chain was an important factor in that context.
2) *(K. Slippens)* Sligro Food Group had indeed ended business relations with a number of suppliers because they did not have human rights certification. The company's focus was on its primary suppliers and that was why the audits had been restricted to that group.

Mr Vrijdag complemented the Executive Board on the results, before posing the following questions:
1) Why was as a distinction still made between Sligro and EMTÉ? It was, after all, one and the same company, was it not?
2) Why had the company not yet offered loyalty cards to its customers, as other companies had done?

These questions were answered as follows:
1) *(K. Slippens)* Mr Slippens thanked Mr Vrijdag for the compliment. EMTÉ and Sligro were two separate businesses. Each business focused on its particular customer base. In the case of EMTÉ, that was ordinary consumers doing their daily shopping. In the case of Sligro, it was business customers wanting to purchase supplies in an environment specialised in serving the professional hospitality trade. Each of the two businesses carried its own product range that was geared to its particular customer base. Sligro Food Group wanted to keep them separate in order to allow both businesses to be successful in their own right.
2) *(K. Slippens)* Mr Slippens was pleased that the question of loyalty cards had been raised. EMTÉ in fact planned to introduce loyalty cards as part of its customer loyalty programme within a few months. This would be a highly innovative loyalty programme, involving such things as loyalty cards and apps for mobile phones and tablets, allowing the company to

reward loyalty on the part of its customers. And, as shareholders were no doubt aware, Sligro had had loyalty cards for some considerable time.

Mr Rienks posed the following question:
Sligro Food Group aimed to achieve average annual sales growth of 10%. Was that still a realistic target?

This question was answered as follows:
(H. van Rozendaal) In formulating the target concerned, it was specified that the target applied to a full economic cycle. This assumed that a period of a shrinking market would be followed by a period of a growing market. However, the market had been shrinking for six years in succession and it was very much the question whether and, if so, when something like more normal economic conditions might return. The difference between a shrinking market and a growing market was around four percentage points. Taking this into account, the company was in fact closer to the target. The second aspect which played a part in this concerned the acquisitions. With a market share of 20% in the Netherlands, there was still plenty of scope for takeovers. The company was also looking at the possibility of international acquisitions. But this path was not being pursued dogmatically; if there were no suitable acquisition candidates or they were too expensive, it might take some time. In that case, the company would be happy to explain the situation to the shareholders' meeting. That was better than making a wrong acquisition. That was one thing on which the company and the shareholders agreed.

Mr Spanjer expressed his appreciation of the directors' report, remarking that it was very clear and to the point. He then posed the following question:
1) Within Foodservice, why did the company operate with two brands, Sligro and Van Hoeckel?
2) Why had the company decided on national television advertising for EMTÉ when EMTÉ did not have any supermarkets in a large part of the country?

These questions were answered as follows:
1) *(K. Slippens)* The company had two formats in its Foodservice operations, Sligro and Van Hoeckel. Van Hoeckel specialised in serving institutional customers and Sligro served all the other segments of the foodservice market. The healthcare market, in which Van Hoeckel operated, was a very different market from that of the hospitality sector. That difference demanded a different commercial approach to the market. That did not mean, incidentally, that Van Hoeckel was a separate entity because Sligro and Van Hoeckel were supported by the same central back office. The operations of any foodservice business that was taken over were integrated into Sligro and Van Hoeckel. Rooswinkel's institutional customers, for instance, were being transferred to Van Hoeckel and the other customers would be Sligro's.
2) The decision to go for national television advertising was based on the cost of reaching the company's customers in the areas where EMTÉ did have supermarkets. It was immaterial how large the area was in which EMTÉ was not established.

Mr Bakx (Stichting Persoonlijk Beter Beleggen – Personal Better Investment Foundation) expressed his appreciation of the amount of the proposed dividend in relation to the share price. He then posed the following two questions:
1) Sligro Food Group operated to a large extent with staff on zero hours contracts and, moreover, the business was constantly changing, for example as a result of acquisitions. What implications did that have for staff with permanent contracts of employment?

2) At the start of the meeting, the chairman had mentioned the withdrawal of the resolution under 7.1 concerning amendment of the right to have items added to shareholders' meeting agendas. Why had the company initially included amendment of the right to have items added?

These questions were answered as follows:
1) *(K. Slippens)* Within Sligro Food Group, employees on zero hours contracts were mainly engaged in low-skilled work such as order picking in the Distribution Centres. More skilled jobs were largely held by permanent staff. Following a takeover, part of the integration process involved finding suitable jobs for the workforce acquired with the business within Sligro Food Group. That might be the existing job either in the same region or in a different region or, in some cases, a job outside Sligro Food Group. With a bit of give and take on both sides, that approach had been found to work very well in practice.
2) *(H. van Rozendaal)* A change in the law had made it possible in principle to raise the threshold for having items added to the agenda from 1% to 3%. Given its situation, the company had considered allowing shareholders to vote on an amendment as provided by the new statutory limit. However, since the proposed amendment had given rise to a great deal of mainly theoretical discussion prior to the meeting, it had been concluded that it was better to withdraw the resolution.

Mr Van Hoek commented that the figures on the slides were difficult to see from where he was sitting. He then posed the following question:
On the one hand, the company was saying, with the 'Kicken op Kosten' ('Kick the Costs') project, that it saw reducing costs as most important. On the other hand, it seemed to him that the launch of the new outlet in Maastricht had been a costly affair. How did that square with cost-cutting?

This question was answered as follows:
(K. Slippens) The company was constantly keeping a close eye on costs, and that included the Maastricht launch. But it was also keen to make the most of opportunities created by events in which it believed. That was investments which produced good returns. The theme for the current year was 'striking a balance'. The same applied in the case in question: minimising costs wherever possible on the one hand and continuing to invest where there were good returns on the other, as, for example, with Sligro Maastricht, the EMTÉ loyalty programme and the new Delivery Service Centre in Berkel-Rodenrijs.

Mr Jorna (V.E.B.) posed the following questions:
1) Did the company have plans for further expansion of the business, for example moving into catering?
2) Was there still scope for further development of the company's own labels?
3) Were there concerns that the company's efforts to reduce its cost base was placing too much pressure on wage costs, which could jeopardise the company's reputation for quality in the marketplace?
4) The company had a 45% stake in Spar. How should he view that investment in relation to the company's own activities?

These questions were answered as follows:
1) *(K. Slippens)* The company definitely did not have any plans to add catering to its activities. It would only be competing with its customers and did not want to do that.

Moreover, catering was a very different business, and the company did not possess all the relevant competencies.
2) *(K. Slippens)* The company had by no means done developing its own labels. And there was still certainly scope for improvement.
3) *(K. Slippens)* In managing wage costs, you had to strike the right balance. A study had been made of all the activities in all EMTÉ supermarkets. Use of internal benchmarks had provided an overview of the wage cost developments of all departments in those stores. That was yielding a great deal of information which was being used to maintain quality standards while still keeping tight control of costs.
4) *(H. van Rozendaal)* In 2006, together with Sperwer, the owner of Plus Supermarkten, the company had acquired Edah. At that time, the company had concentrated on the larger supermarkets and, in that context, following negotiations with Sperwer, had transferred its smaller supermarkets to Spar, which at the time was still 90%-owned by Sperwer, in exchange for Spar shares. The dividend which the company received from associates largely came from Spar. Spar was, incidentally, not seen merely as an investment but as an extension of the company's own activities.

Ms Heijne (V.B.D.O., Vereniging van Beleggers voor Duurzame Ontwikkeling – Association of Investors for Sustainable Development) posed the following question:
The year before, the company had stated that biodiversity was an important theme for Sligro. In that connection, it had also been stated that it was seen as important to grow the Eerlijk & Heerlijk (Honest & Delicious) label, in the first instance by 10%. Had that 10% growth been achieved during the year under review, what was the company doing to promote further growth of the label and what was the ultimate goal?

This question was answered as follows:
(K. Slippens) The segment was developing so rapidly that it was not clear where those developments would end. No ultimate goal had therefore been set. The company had, however, achieved the 10% growth target during the year. The label had been launched three years previously with 1,000 products and there were now almost 3,000 products in the range. It was also noticeable that the products were in very strong demand in the hospitality sector in particular. The company would therefore definitely be continuing with the label and for the year ahead had again set itself a target of 10% year-on-year growth.

Mr Spanjer posed the following question:
Was the investment in Spar not an impediment in connection with competition law when it came to possible future acquisitions?

This question was answered as follows:
(H. van Rozendaal) The investment in Spar was not seen as an impediment.

Mr Boom posed the following question:
There was a great deal in the national press about cybercrime. Had the company also been hit by this?

This question was answered as follows:
(H. van Rozendaal) Cybercrime was an important topic, which the company, too, viewed with concern. A great deal of effort and money was being devoted to effective protection measures. The company was also aware of almost daily newspaper reports of strange goings-on in that area. The matter would certainly be continuing to receive the fullest attention.

4. Financial statements

4 a. Remuneration policy

By way of introduction to this matter, the chairman mentioned that the proposed ‘claw back’ legislation had come into operation on 1 January 2014. That legislation made it possible in exceptional circumstances to adjust the amount of bonuses or demand their repayment. It also contained a provision concerning reporting on the implementation of the remuneration policy.

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

The remuneration policy was published on the website sligrofoodgroup.nl. It had been approved by the shareholders at the AGM held on 22 March 2006. A share/option scheme had been added to the policy in 2010 and this had been approved by the shareholders at the AGM held on 17 March 2010.

All the remuneration reports from 2005 onwards had also been published on the website, including the remuneration report on the previous year, 2013. The remuneration details were also disclosed in the 2013 annual report, on page 112.

The chairman then proceeded to talk about the implementation of the remuneration policy.

There had been no change in the implementation of the remuneration policy. The remuneration package consisted of a fixed annual salary, a short-term bonus, a long-term bonus, a long-term option plan and a pension.

The fixed annual salary was benchmarked against market data once every three years, using a reference group of 20 companies drawn up in collaboration with external consultants. There had been no adjustments reflecting market conditions for the previous six years. The normal annual increments (for Sligro), averaging 1.5% per annum, had, however, been applied during that six-year period. The annual report disclosed that the fixed salary had been increased by 20% with effect from the beginning of 2013, corresponding to an average of approximately 3% per annum over those six years, which was well below the norm according to the approved policy.

The short-term bonus, awarded for ‘target’ performance, amounted to 30% of the fixed salary and was made up of two parts. One half depended on the budgeted profit target and the other half depended on specific targets. For 2013, the specific targets related to the CSR agenda, the integration of Van Oers, achievement of the Food Retail targets and control of working capital.

For the year under review, the short-term bonus worked out at 81% (of 30%) because, although the other targets had been achieved, the profit target had not been met. Over the previous five years, average profit target achievement had worked out at 53% (of 30%), with 86% (of 30%) for the other targets, giving an overall average of 70%.

The long-term bonus plan was the same as the short-term bonus plan, except that the net payment had to be converted into shares which were then frozen for four years.

The long-term option plan was the plan that the chairman had presented to the meeting in 2010. The number of options depended on the yield on the shares over a three-year period as compared with a peer group of 10 ‘typical MidCap’ companies. In recent years, somewhere between 8,000 and 10,000 options had been awarded each year to each member of the Executive Board. The scheme included the obligation that at least 50% of any profit after tax had to be spent on buying shares.

The pension depended almost entirely on a defined contribution plan.

4 b. Presentation on the audit of the financial statements

For this item, the chairman handed over to Mr Pieter Smorenburg, a partner of KPMG, Sligro Food Group’s auditors. He had ultimate responsibility for the audit of the 2013 financial statements of Sligro Food Group and, in that capacity, gave a presentation covering the examination by the external auditors of the Sligro Food Group 2013 financial statements. For the content of this presentation, reference is made here to the slides shown by Mr Smorenburg, which have been published on the website sligrofoodgroup.nl (General Meeting of Shareholders 2013).

4 c. Adoption of the 2013 financial statements (resolution)

The chairman first opened the floor to questions on the financial statements, which formed the second part of the annual report (page 90 et seq.).

Mr Rienks posed the following question:
When a loan of almost €53 million was redeemed later in the year, total long-term debt would decline appreciably. Assuming that the current cash flow situation continued, it might even be possible for all loans to be repaid in the years ahead. That was not necessarily an optimum state of affairs, however. What was the company’s vision regarding an optimum target debt level?

This question was answered as follows:
(H. van Rozendaal) As the balance sheet showed, the company had ample cash balances. The interest being received on them was, however, so low that it made more sense to use the cash to pay off the loan than to refinance it. Mr Van Rozendaal agreed with Mr Rienks that the company could be debt free within a few years, based on the cash flow profile, but that equally well might not be the case if suitable acquisitions came up.

Ms Heijne (V.B.D.O., Vereniging van Beleggers voor Duurzame Ontwikkeling – Association of Investors for Sustainable Development) posed the following question:
It had become clear to her that Sligro Food Group was also progressive when it came to the financial statements. Were there perhaps possibilities of preparing accounts on the basis of ‘true price’ for the next year – in other words, a profit and loss account showing the effect of the production and consumption of goods and services on natural and social capital? Her question was whether Sligro Food Group was also considering that approach?

This question was answered as follows:
(H. van Rozendaal) There were no such plans.

Mr Bakx (Stichting Persoonlijk Beter Beleggen – – Personal Better Investment Foundation) posed the following question:
To what extent was it possible for permanent staff and staff on zero hours contracts also to enjoy profit-sharing remuneration and thus acquire shares?

This question was answered as follows:
(H. van Rozendaal) The profit-sharing scheme in principle applied to all employees of Sligro Food Group, including staff on zero hours contracts who were on the payroll. Temporary staff from agencies like Randstad were not covered by the scheme, in other words. Compared with many other companies in the sector, however, Sligro Food Group did not employ very many staff on zero hours contracts. The situation was different in the supermarkets because of employing many young people who were just earning a bit on the side.

Mr Jorna (V.E.B.) posed the following questions:
1) Trade receivables were increasing. That was partly explained by the implementation of SEPA. But was there perhaps also a deterioration in the payment behaviour of customers that was causing receivables to rise?
2) Goodwill was carried at cost, less cumulative impairment losses where applicable. Part of the annual calculation of that impairment was the estimated growth in EBITA. The previous year, an estimated EBITA growth figure of 3% had been used and, in the year under review, 2%. What was the reason for reducing that percentage?
3) How many cases of fraud are there annually?

These questions were answered as follows:
1) *(H. van Rozendaal)* Of the increase in the receivables, €15 million resulted from the implementation of the new SEPA payment processing rules, which henceforward meant that it took two extra business days before payments were received. In addition, the acquisition of Van Oers had resulted in an increase in the trade receivables because Van Oers customers, too, settled their accounts on what were, incidentally, normal terms of business. The like-for-like increase in receivables was relatively small. Admittedly, the fact that many businesses were failing, even among Sligro's customers, was, of course, a cause for concern.
2) *(H. van Rozendaal)* The reduction in the estimated EBITA growth percentage meant that the impairment test calculations were being based on a slower rate of growth. This cautious approach therefore made the impairment test tougher.
3) *(H. van Rozendaal)* Fraud also included a customer deliberately failing to pay for something at the checkout and staff with their fingers in the till. Hundreds of customers and dozens of staff were caught in connection with incidents of this kind every year. The picture for Sligro Food Group was no different from that of society generally.

Mr Spanjer posed the following questions:
1) On page 69 of the annual report, in connection with departures from the Corporate Governance Code, it was stated that there were no agreements with directors on the level of any severance pay. Why was this aspect of the Code departed from?
2) Why did the company not purchase the entire share capital of its Fresh Partners? It had after all plenty of cash and it would greatly simplify decision-making if it no longer had to reach compromises in the shareholders' meetings of the Fresh Partners.

These questions were answered as follows:
1) *(H. van Rozendaal)* The departure from the Corporate Governance Code referred to had been agreed in 2005 and had been based on a policy of equal treatment and remuneration for directors in comparable circumstances.
2) *(K. Slippens)* The company took a very different view on the second point. Its business model was based on holding non-controlling interests in its Fresh Partners. By sharing the equity investment, the company had the maximum involvement of excellent business owners with specific expertise relating to difficult activities such as fruit and vegetable operations and meat operations. Since the businesses concerned also generated almost their entire sales from Sligro Food Group, there was a very strong mutual dependence. This was felt to be a good business model.

After these questions had been answered, the chairman confirmed that, there having been no votes against or abstentions, the resolution had been carried and the 2013 financial statements had been duly adopted.

number of shares for which valid votes were cast:	38,476,127
votes for:	38,476,127
votes against:	0
abstentions:	0

4 d. Adoption of the profit appropriation (resolution)

With the approval of the Supervisory Board, the Executive Board proposed that the profit be appropriated as stated on page 142 of the annual report.

As indicated by Mr. Van Rozendaal under item 3 of the agenda, it was proposed to distribute a regular dividend for 2013 of €0.80 per share in cash. It was also proposed to distribute a variable dividend of €0.25 per share, also in cash, making a total dividend of €1.05.

The dividend would be payable on 2 April 2014.

The Executive Board’s proposal was approved by the meeting.

number of shares for which valid votes were cast:	38,476,127
votes for:	38,476,127
votes against:	0
abstentions:	0

4 e. 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 2013.

number of shares for which valid votes were cast:	38,476,127
votes for:	38,476,127
votes against:	0
abstentions:	0

4 f. 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 2013.

number of shares for which valid votes were cast:	38,476,127
votes for:	38,476,127
votes against:	0
abstentions:	0

5. Profit retention and dividend policy

Sligro Food Group aimed to distribute a regular dividend of around 50% of the after-tax profit, excluding extraordinary results. The dividend was paid in cash.

The regular dividend proposed for 2013, as for 2012, was €0.80 per share, which amounted to a pay-out of 52%.

On top of that, it was proposed again to distribute a variable dividend of €0.25 for 2013, making the total dividend an unchanged amount of €1.05. The variable dividend took account of the strong balance sheet and liquidity position.

In order to even out the cash flow, it was proposed to pay the dividend, commencing in 2014, in two instalments, in other words to start paying an interim dividend, for the first time on 20 October 2014, marking Sligro Food Group's 25th Anniversary as a listed company. The proposal would be to fix the amount of the interim dividend at half of the regular dividend for the preceding year, which meant €0.40 in 2014.

6. Appointment of auditors

In connection with a change in the law governing changes of auditors at regular intervals, the approval of the shareholders had been sought and obtained the previous year at the General Meeting of Shareholders held on 20 March 2013 for a selection process to appoint the successors to KPMG as the company's auditors as from the start of the 2014 financial year.

Based on this, a selection process had been commenced that was described in detail on page 86 of the annual report. PwC, EY and Deloitte had been invited to submit their bids, based on stipulated principles. Following evaluation of the three bids, it had been decided to take the process forward with two firms, including a more in-depth assessment involving the financial and ICT teams and an opportunity for the firms concerned to have a meeting with KPMG without Sligro Food Group present. The two remaining firms then submitted binding final proposals. These proposals had been evaluated by the financial and ICT teams. Two members of the Supervisory Board along with the Executive Board Chairman had then had exhaustive talks with the preferred candidate and confirmed the evaluation. This selection process had led to the selection and appointment, with the involvement of the Supervisory Board, of Deloitte. Marcel van Leeuwen from Deloitte was present at the meeting. The appointment commenced at the beginning of 2014 and had been made under the usual condition that a confirmation of their engagement for a period of one year approved by the Supervisory Board would be agreed with the auditors each year.

Mr Jorna (V.E.B.) posed the following question:
Did Deloitte subscribe to the approach adopted by Mr Smorenburg and KPMG of providing an informative auditors' report?

This question was answered as follows:
(A. Nühn) Yes, that matter had been brought up as part of the selection procedure and the same approach was also supported by Deloitte.

7. Proposed amendment of the articles of association (resolution)

As announced in the opening remarks, part 7.1 of the resolution proposing amendment of the Articles of Association had been withdrawn by the Executive Board. Only part 7.2, regarding a change to the rules governing conflicts of interest as a consequence of the Management and Supervision Act plus a few changes to the wording in connection with the Shareholders' Rights Act was therefore to be considered.

Full details of the amendments were given in the summary published on the Sligro Food Group website accompanying the agenda documents for the present General Meeting of Shareholders. The resolution also mandated any member of the Executive Board and the Company Secretary, as well as any trainee or fully qualified civil law notary or member of the legal staff at the law firm Deterink Advocaten en Notarissen, Eindhoven, to effect the execution of the necessary deed.

Resolution 7.1 had been withdrawn and was therefore not put to the vote.

Resolution 7.2 was carried.

number of shares for which valid votes were cast:	38,476,127
votes for:	36,275,059
votes against:	2,189,950
abstentions:	11,118

8. Authorisation of the Executive Board to repurchase own shares (resolution)

As explained in the notes to the agenda, the resolution related to the authorisation of the Executive Board for a period of 18 months to repurchase paid-up shares in Sligro Food Group N.V., on the stock exchange or privately, up to a maximum of 10% of the issued share capital at a price at most 10% above the market price at the time of the transaction, subject to the approval of the Supervisory Board. This authorisation would be valid until 19 September 2015.

The resolution was carried.

number of shares for which valid votes were cast:	38,476,127
votes for:	38,464,227
votes against:	0
abstentions:	11,900

9.a. Extension of the period of authorisation of the Executive Board to issue shares (resolution)

It was proposed to renew the authorisation to issue shares vested on 20 March 2013 and extend it by 18 months from the date of the meeting, i.e. until 19 September 2015, on the understanding that any decision by the Executive Board would be subject to the approval of the Supervisory Board. It was also proposed to restrict this authorisation to an increase of 10% of the issued share capital, which could be increased by a further 10% if the issue were undertaken in the context of a merger or acquisition.

Mr Van Beuningen posed the following question:
The authorisation to issue shares totalling 20% in the case of an acquisition at the current share price roughly corresponded to an amount of around €260 million and that was a great deal of money. An acquisition involving the issue of shares could well cost twice that amount, which was indeed a very substantial acquisition. The company generally completed acquisitions exceptionally well and the meeting did not plan to vote against the authorisation. However, it was conceivable that, if something of that magnitude was on the cards, an extra shareholders' meeting would be organised, was it not?

This question was answered as follows:
(A. Nühn) A good point. The company would act in such cases as it had undertaken to do the previous year.

The resolution was carried.

number of shares for which valid votes were cast:	38,476,127
votes for:	38,219,270
votes against:	11,118
abstentions:	245,739

9.b Extension of the period of authorisation of the Executive Board to restrict or exclude pre-emptive rights of shareholders in connection with share issues (resolution)

It was proposed to renew the authorisation to restrict or exclude shareholders' pre-emptive rights to share issues which was vested on 20 March 2013 and extend it by 18 months from the date of the meeting, i.e. until 19 September 2015.

Mr Van Erum gave notice of casting 20 votes against the resolution.

The resolution was carried.

number of shares for which valid votes were cast:	38,476,127
votes for:	38,464,989
votes against:	11,138
abstentions:	0

10. Any other business and adjournment

Mr Van Leeuwen commented that he hoped that the starting time of the General Meeting of Shareholders would not be brought forward from 11:00 to 10:30 the following year. For shareholders who had some distance to travel, 11:00 am was a more convenient starting time. The chairman indicated that this argument, along with other arguments, would be taken into account the following year when any decision about the starting time was taken.

The chairman announced that, at the request of a number of shareholders, instead of the usual tour of the Distribution Centre, there would on this occasion be a tour of the EMTÉ supermarket in Veghel. After the meeting, anyone interested should see Kees Kiestra, Operations Manager, Food Retail and Kees de Rooij, Logistics Manager of Sligro Food Group, who were organising the tour.

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

A. Nühn, chairman

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