

# **G**ENERAL MEETING OF SHAREHOLDERS

**2018** 

**21 MARCH** Sligro Food Group N.V.

# AGENDA

## 21 March 2018

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**SHAREHOLDERS OF SLIGRO FOOD GROUP N.V. ARE INVITED TO ATTEND THE ANNUAL GENERAL MEETING TO BE HELD AT CORRIDOR 11, VEGHEL (POSTCODE 5466 RB), COMMENCING AT 10:30 A.M. ON WEDNESDAY, 21 MARCH 2018 (THE 'MEETING').**

The items on which resolutions are required are indicated below. The other items are intended for the information of or discussion with shareholders.

### Agenda

1. Call to order and announcements
2. Minutes of the General Meeting of Sligro Food Group N.V. held on 22 March 2017 (already adopted)
3. Report of the Executive Board on the 2017 financial year
  - a. Report by the Executive Board
  - b. Corporate governance structure and compliance with the Corporate Governance Code (Annex 1)
4. Financial statements
  - a. Implementation of the remuneration policy in 2017
  - b. Presentation concerning the audit of the financial statements
  - c. Adoption of the 2017 financial statements (resolution required)
  - d. Profit retention and dividend policy (annex 2)
  - e. Adoption of the profit appropriation for 2017 (resolution required) (annex 3)
  - f. Granting of discharge to the Executive Board in respect of its management (resolution required)
  - g. Granting of discharge of the Supervisory Board in respect of its supervision (resolution required)
5. Authorisation of the Executive Board to repurchase the company's own shares (resolution required) (annex 4)
6. Extension of the period for which the Executive Board is authorised:
  - a. to issue shares (resolution required) (annex 5)
  - b. to restrict or suspend pre-emptive rights of shareholders on the issue of shares (resolution required) (annex 6)
7. Remuneration of Supervisory Board members (resolution required) (annex 7)
8. a. Proposal to amend the Articles of Association (resolution required) (annex 8)  
b. Proposal to authorise each member of the Executive Board, the Company Secretary and Houthoff to sign the deed amending the Articles of Association (resolution required) (annex 8)
9. Any other business and adjournment

### Supervisory Board

F. Rijna (chairman)  
J.H. Kamps  
B.E. Karis  
M.E.B. van Leeuwen  
G. van de Weerdhof

### Executive Board

K.M. Slippens (CEO)  
R.W.A.J. van der Sluijs  
W.J.P. Strijbosch

# ANNEX 1

## notes on agenda item 3 b

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### **Corporate governance structure and compliance with the Corporate Governance Code**

The Dutch Corporate Governance Code is concerned with the governance of listed companies in the Netherlands and contains guidance for effective partnership and management. The Code was first adopted in 2003 and was subsequently amended in 2008. More recent developments, changing attitudes and overlapping statutory requirements once again prompted amendment of the Code in December 2016. The 2016 Code replaces that dating from 2008. The new Code is effective for periods beginning on or after 1 January 2017.

In accordance with the recommendations of the Corporate Governance Code Monitoring Committee, the section of the directors' report covering the outlines of the corporate governance structure and compliance with the Code is put before the Meeting as a separate item of business for the shareholders' consideration.

### **Compliance with the Code**

With the exception of best practice provisions 2.2.1 ('Terms of office of Executive Board members on appointment and reappointment') and 3.2.3 ('Termination payments'), Sligro Food Group endorses the principles and best practice provisions of the Code. Neither departure from the Code, incidentally, is new, or temporary; Sligro Food Group did not comply with these elements of similar provisions under the Corporate Governance Codes of 2004 and 2008 either. The two ways in which the Code is departed from are perfectly suited to the culture of the listed family business Sligro Food Group.

### **Best practice provision 2.2.1 ('Terms of office of Executive Board members on appointment and reappointment')**

Members of the Sligro Food Group Executive Board are appointed for an indefinite period and Sligro Food Group accordingly does not comply with best practice provision 2.2.1. The reason is that Sligro Food Group endeavours to establish lasting working relationships with its employees and the same applies to members of its Executive Board. Sligro Food Group prefers to appoint Executive Board members through a process of internal promotion.

### **Best practice provision 3.2.3 ('Termination payments')**

Sligro Food Group has not made agreements with any of the members of its Executive Board concerning the amount of any severance package. The reason for departure from this provision should be seen in the light of the appointment of an Executive Board member for an indefinite period, such appointment possibly having been preceded by a career with Sligro Food Group in a position other than Executive Board member.

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# ANNEX 2

## notes on agenda item 4 d

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### Profit retention and dividend policy

#### Regular and variable dividend

Sligro Food Group aims to distribute a regular dividend of approximately 60% of the profit after tax, excluding extraordinary items, payable in cash.

Depending on the strength of the balance sheet and the liquidity position, a proposal may be made to pay a variable dividend in addition to that.

### Interim and final dividend

The dividend will be paid in two instalments, an interim dividend payable in the second half of the year and a final dividend payable after the General Meeting. The interim dividend amounts in principle to half of the regular dividend for the preceding year.

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# ANNEX 3

## notes on agenda item 4 e

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### Adoption of the profit appropriation for 2017

For 2017, the proposed *regular dividend* distribution is €1.10 (2016: €1.00), representing a pay-out ratio of 60.

In view of the strong balance sheet and the liquidity position, it is also proposed to pay a *variable dividend* of €0.30 per share in respect of 2017 (2016: €0.30), making a total dividend of €1.40 (2016: €1.30).

This increase in the dividend is possible without restricting the scope for financing investments and/or acquisitions.

Out of the total dividend, an amount of €0.50 per share has already been paid, on 02 October 2017, leaving a final dividend of €0.90.

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# ANNEX 4

## notes on agenda item 5

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### **Authorisation of the Executive Board to repurchase the company's own shares**

Pursuant to Article 9.2 of the Articles of Association, the company may only acquire fully-paid shares in its own capital for no consideration or if:

- a. the shareholders' equity less the purchase price is equal to or exceeds the paid and called capital plus the reserves required to be held by law;
- b. the nominal value of the shares in its own capital that are acquired, held or held in pledge by the company or held by a subsidiary does not exceed one-tenth of the issued share capital; and

- c. authorisation to repurchase the company's own shares has been granted by the general meeting.

The resolution proposes authorising the Executive Board of the company for a period of 18 months to repurchase fully-paid shares in the company, on the stock exchange or privately, up to a maximum of 10% of the issued capital permitted by the Articles of Association, at a price not more than 10% above the market price at the time of the transaction, provided always that any such decision by the Executive Board has the approval of the Supervisory Board. This authorisation will run from 21 March 2018 to 21 September 2019.

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# ANNEX 5

## notes on agenda item 6 a

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### **Extension of the period for which the Executive Board is authorised to issue shares**

By resolutions of the General Meeting of 22 March 2017, the Executive Board was authorised for a period of 18 months, pursuant to Article 5.1 of the Articles of Association, to issue – and grant rights to subscribe for – as yet unissued shares in the company's capital and, pursuant to Article 8.4 of the Articles of Association, to restrict or suspend pre-emptive rights.

It is proposed to extend the Executive Board's authority to issue shares for 18 months from the date of this Annual General Meeting, provided always that any such decision by the Executive Board has the approval of the Supervisory Board. It is proposed to limit the Executive Board's authority to 10% of the issued capital, plus a further 10% if the issue is in connection with a merger or acquisition.

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# ANNEX 6

## notes on agenda item 6 b

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### **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**

By resolutions of the General Meeting of 22 March 2017, the Executive Board was authorised for a period of 18 months, pursuant to Article 5.1 of the Articles of Association, to issue – and grant rights to subscribe for – as yet unissued shares in the company’s capital and, pursuant to Article 8.4 of the Articles of Association, to restrict or suspend pre-emptive rights.

It is proposed to extend the Executive Board’s authority to restrict or suspend pre-emptive rights of shareholders on the issue of shares for 18 months from the date of this Annual General Meeting, provided always that any such decision by the Executive Board has the approval of the Supervisory Board.

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# ANNEX 7

## notes on agenda item 7

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### **Remuneration of Supervisory Board members**

It is customary for the remuneration of the members of the Supervisory Board of Sligro Food Group N.V. to be reviewed every three years.

The directors’ fees were last adjusted in 2015. With effect from 1 April of that year, the remuneration of the chairman of the Supervisory Board became €50,000, with the other members of the Supervisory Board receiving a fee of €35,000. The revised fees were in principle to apply for the period 1 April 2015 to 31 March 2018.

It is now proposed to adjust the remuneration for the period 1 April 2018 to 31 March 2021. The proposed fees reflect the amount of time and the responsibilities involved in performing the duties of supervisory directors. They do not depend on the company’s results and no shares or option rights are awarded to the Supervisory Board members by way of remuneration.

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

	<b>1 April 2015 to 31 March 2018</b>	<b>1 April 2018 to 31 March 2021</b>
<b>Supervisory Board chairman</b>	€50,000 per annum	€57,500 per annum
<b>Supervisory Board member</b>	€35,000 per annum	€40,000 per annum
<b>Audit Committee chairman/member</b>	€2,500 per meeting	€2,500 per meeting
<b>Remuneration and Appointments Committee chairman/member</b>	€2,500 per meeting	€2,500 per meeting

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# ANNEX 8

## notes on agenda items 8a and 8b

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### **Resolution amending the Articles of Association Resolution authorising each member of the Executive Board, the Company Secretary and Houthoff to sign the deed amending the Articles of Association**

Article 28, clause 1, of the existing Articles of Association of Sligro Food Group N.V. reads as follows:

*'A member of the Supervisory Board retires no later than the time of adjournment of the annual general meeting held in the financial year in which the member attains the age of 67.'*

It is proposed that Article 28, clause 1, of the Articles of Association of Sligro Food Group N.V. be deleted in its entirety. As a consequence, the existing Article 28, clauses 2 to 5 become renumbered Article 28, clauses 1 to 4.

The existing Articles of Association and the draft deed effecting this partial amendment of the Articles have been included as separate documents appended to this Notice of Meeting.

The amendment has been proposed because both the Executive Board and the Supervisory Board take the view that this age limit is an undesirable restriction. The Profile of the Supervisory Board, as amended in December 2017, includes the following: 'A member of the Supervisory Board remains in office up to the usual date for retirement in the Netherlands.' With this formulation, it is the intention to reflect developments in society more accurately, without leading to undesirable rigidity.

The resolution of authorisation involves granting the authority to each member of the Executive Board, the Company Secretary and any member of staff, lawyer or fully articulated or trainee civil-law notary of the law firm Houthoff Coöperatief U.A., to sign the Deed of Amendment of the Articles of Association.

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