



MINUTES OF MEETING

OF THE ANNUAL GENERAL MEETING OF B&S GROUP S.A.

Tuesday May 19, 2020 | 13:30 CEST

By webcast, in light of the COVID-19 pandemic and as permitted
by the Grand-Ducal regulation of 20 March 2020



1. Opening of the meeting

Executive Board member Mr. Bas Schreuders opens B&S Group S.A.'s Annual General Meeting of Shareholders (**'AGM'**), welcomes the attendees and hands over to the Chairman, Mr. Jan Arie van Barneveld (**'JAvB'**).

JAvB clarifies that a virtual meeting has been set up as permitted by Luxembourg law, due to the COVID-19 pandemic and the precautionary measures B&S Group S.A. (**the 'Company' or the 'Group'**) took to limit health risks. Shareholders have been provided the option to join the meeting online by means of the webcast.

JAvB introduces the other speaker of this AGM, Mr. Bert Meulman (**CEO, hereinafter referred to as 'BM'**). The other members of the Executive Board¹, Supervisory Board² and Mr. Termaten of Deloitte Audit S.à r.l. are dialled in on the webcast. Mrs Cynthia van Gils shall act as Secretary of the meeting.

An announcement posted on the corporate website on April 17, 2020, provided the details for this meeting and the required documents have been made available for inspection. Therefore, all legal requirements to call this meeting have been met and the meeting is authorized to take decisions with respect to those issues stated in the agenda.

The Company has not received any proposals from shareholders to handle any other issues than those included in the notice of the meeting.

The proposed resolutions shall be adopted by an absolute majority of the votes that were cast in advance of this virtual meeting.

After the meeting, the minutes will be made available for inspection on the Company's corporate website for a period of 3 months. After that period the minutes will be adopted.

2. Report from the Executive Board and Supervisory board 2019

JAvB invites BM to present the report of the Executive Board for the 2019 financial year. BM will present a review of the financial year of 2019 and the highlights of the first quarter of 2020.

The following performance highlights impacted the Company's results of 2019:

Firstly, the luxury products business: the trade war between the USA and China and the political turmoil in Hong Kong affected the demand in Asia. As a result, the gross profit in both in the Liquor category in Asia as well as in the fast-moving consumer goods activities in the B&S Segment were impacted.

Secondly, the Health & Beauty category: the Company identified new business opportunities in its B2B distribution to value retailers and e-commerce platforms and it initiated new partnerships in this fast growing markets.

¹ Mr. Van Laar, Mr. Groen.

² Ms. Koelemeijer, Mr. Blijdorp, Mr. Beerman, Mr. Cornelisse.

The 2019 investments in the Company's infrastructure were mainly focused at growth in the Company's Health & Beauty e-commerce markets in Europe and the USA (*B2B as well as B2C*).

To conclude, net cash from operations increased to nearly €115 million in 2019. This was the result of continuous focus on working capital and to sustain sales volumes in Asian markets as much as possible, despite the aforementioned market circumstances in Asia.

Financial highlights

The full year was characterised by a top line growth of 13.3%, of which nearly 5% was organic growth. The Company's three business segments all contributed individually.

Turnover growth from acquisitions was €148 million, resulting from acquisitions of: FragranceNet.com, Lagaay Medical Group and airport retail shops in Rotterdam and Weeze.

EBITDA amounted to €114.6 million (*at reported rates*). Further growth was held back by the developments in the Asian markets and the increase in staff costs in the B&S Segment in 2019. The Company's cash flow increased substantially compared to 2018.

Performance at segmental level

HTG Segment: the growth in turnover was mainly attributable to increased focus on and demand from the value retail in Europe and from Health & Beauty markets in Europe and the USA. In addition, the Liquor category in Europe realised growth in line with expectations. The margins in the Liquor category in Asia were impacted by the USA – China trade war and turmoil in Hong Kong.

B&S Segment: the first half of 2019 was characterised by higher than expected staff costs due to (*earlier communicated*) logistical constraints. These constraints were solved end of June 2019 and with the Segment's focus on volume contracts, this resulted in noticeable performance improvement in the third quarter. This performance improvement was anticipated to continue in the fourth quarter of 2019 – as was also reflected in the staff costs. However, this did not materialise due to the developments in the Asian FMCG market in this Segment.

Retail Segment: performed as expected in 2019, following new shop openings of multi-category stores at regional airports and the addition of the acquired Rotterdam and Weeze airport shops.

Key figures Full Year 2019

The Company's turnover increased by 13.3% to almost €2 billion. This growth was fuelled by the health & beauty category in the HTG Segment and the volume contracts in the B&S Segment. EBITDA ended at €114.6 (or €104.6 million pre-IFRS 16). The decline of EBITDA was primarily the result of the unfavourable developments in the Asian liquor and FMCG markets. Earnings per share ended at €56 cents.

Financial position

The net debt decreased from €312.7 million as per year-end 2018 to €296 as per year-end 2019. During the financial year 2019 the supplier finance arrangements have been terminated and have been replaced by bank financing to facilitate cost savings. Taking the effect of the repayment of the supplier finance arrangements into consideration, net debt improved with almost €38 million. The net debt / EBITDA ratio stood at 2.8.

Net cash from operations increased to almost €115 million in 2019. The Company invested over €34 million in acquisitions, in warehouse infrastructure and digitisation in the HTG and B&S Segments. Furthermore, its financing activities related to dividend distribution and the termination of supplier finance arrangements which were replaced by bank financing.

Working capital development

While the Company realised growth in turnover, its focus on working capital reduction led to a decrease in inventory to €375 million at year-end 2019. The number of inventory days significantly improved from 92 days to 80 days. Trade receivables also decreased, to a little over €201.3 million at year-end 2019. The number of debtor days improved from 43 days to 37 days.

Net working capital decreased to €472.2 million at year-end 2019 as a result of the aforementioned focus on working capital reduction. Working capital in days improved from 113 days to 95 days.

Q1 - 2020 highlights

Since the Company's Full Year 2019 results publication in February 2020, COVID-19 has rapidly developed into the pandemic we are facing today. In the first quarter (Q1), in order to safeguard the health of its employees and business partners during the COVID-19 pandemic, the Company continued to be fully aligned and in compliance with all provisions issued by the various authorities as well as WHO guidelines.

COVID-19 initially impacted the Company's Asian markets in the first months of Q1. In the latter part of March, the cruise and travel retail markets came to a standstill. All (*other*) business lines showed more resilience, and towards the end of the quarter the Asian market started to show early signs of recovery.

Although organic turnover decreased by 5.3% at reported rates, the Company's online sales to platforms and the acquired medical supply business of Lagaay, counterbalanced the effect of COVID-19 on total turnover to a large extent. This resulted in an 1.3% overall turnover decline to €420.5 million at reported rates.

To conclude the Q1 - 2020 highlights, the Company reaffirms that it has a solid balance sheet and sufficient credit facilities to cover its liquidity needs. The full details on segmental developments and the cost control measures the Company has in place are described in the press release that is available on its corporate website.

BM hands over the presentation to the chair. JAvB shortly touches upon the Supervisory Board's report for the financial year 2019. In exercising its tasks in 2019, the Supervisory Board (*after consultation with the Executive Board and selected members of senior management*) focused on performance of logistics processes, on geopolitical and market developments, on the development of strategic initiatives and on management succession. The full content of the report is included in the Annual Report 2019 and has been made available for inspection.

3. Financial statements 2019

Agenda item **3a** is presented: Consolidated financial statements 2019. The 2019 Consolidated financial statements, as compiled by the Executive Board, have been signed off by the Executive Board and the Supervisory Board. Deloitte Audit S.à r.l. has audited the

2019 Consolidated financial statements. These Consolidated financial statements and the notes thereto as well as the approving Auditors' Report have been made available for inspection. The Supervisory Board recommends that the shareholders adopt the Consolidated financial statements as prepared and audited.

100% of the shareholders voted in favour of this proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the AGM has resolved to adopt the Consolidated financial statements of the Company for the 2019 financial year.

Agenda item **3b** is presented: the Company annual accounts 2019. The 2019 Company annual accounts, as compiled by the Executive Board, have been signed off by the Executive Board and the Supervisory Board. Deloitte Audit S.à r.l. has audited the 2019 Company annual accounts. These Company annual accounts and the notes thereto as well as the approving Auditors' Report, have been made available for inspection. The Supervisory Board recommends that the shareholders adopt the Company annual accounts as prepared and audited.

100% of the shareholders voted in favour of this proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the AGM has resolved to adopt the Company annual accounts for the 2019 financial year.

4. Discharge members of the Executive Board

Agenda item 4 is presented: the proposal to grant full discharge to the members of the Executive Board for the performance of their management during the 2019 financial year.

100% of the shareholders voted in favour of this proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the AGM has resolved to grant full discharge to the members of the Executive Board for the performance of their management during the 2019 financial year.

5. Discharge members of the Supervisory Board

Agenda item 5 is presented: the proposal to grant full discharge to the members of the Supervisory Board in relation to the 2019 financial year.

100% of the shareholders voted in favour of this proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the AGM has resolved to grant full discharge to all members of the Supervisory Board for the performance of their supervision duties during the 2019 financial year.

6. Approval of the profit appropriation

Agenda item 6 is presented: the approval of the profit appropriation.

As published in its press release on April 2, 2020 concerning COVID-19 related developments, the Company has decided to cancel the final dividend proposal for the Full Year 2019. It was therefore proposed to allocate the results of B&S Group as follows (*based on its annual accounts for the financial year 2019*):

- the distribution of the amount of 10 million and 943 thousand euros interim dividend (*which has already taken place during 2019*);
- the remaining amount of 31 million and 424 thousand euros will be added to the reserves.

The following results were obtained by e-voting in advance of the meeting:

97.8% of the shareholders voted in favour of this proposal and 2.2% of the shareholders abstained their vote, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the AGM has resolved to approve the profit appropriation for the financial year 2019.

7. Implementation of the remuneration policy 2019

JAvB continues with agenda item 7: implementation of the remuneration policy 2019.

The current remuneration policy for members of the Executive Board was proposed by the Supervisory Board and adopted by the AGM on March 22, 2018. The 2019 remuneration of the Executive Board consists of fixed compensation, Performance Incentives and/or pension contribution. An extensive overview of the paid remuneration over 2019 can be found in the remuneration report. This is included in the Annual Report on page 63 and has been published on the Company's website. The shareholders have had the opportunity to take knowledge of the content of the remuneration report and the manner in which the Supervisory Board applied the remuneration policy in 2019.

According to the Supervisory Board, the 2019 Executive Board remuneration is proportional and acceptable compared to the Company's performance and the average remuneration of employees on a full-time equivalent basis.

8. Revisions to the remuneration policy

Agenda item 8 is presented: approval of the proposed remuneration policy of B&S Group S.A..

In order to comply with Grand-Ducal Law of August 1, 2019, the Company's remuneration policy was reviewed in line with the revised European Shareholder Rights Directive (*the SRD II*). The revised remuneration policy has been made available on the corporate website for inspection.

The new rules in this Directive introduce, amongst others, additional items to be addressed in the remuneration policy. The main proposed changes to the remuneration policy are:

- Clarification on financial and non-financial performance criteria with regards to the Performance Incentive (*for the CEO and CFO*) and how they align with the Company strategy.

- The addition of a remuneration policy for the Supervisory Board.

It was proposed to the shareholders to approve the revised remuneration policy. 100% of the shareholders voted in favour of this proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the AGM has resolved to approve the revised remuneration policy in its entirety.

9. Dividend policy: shift to annual payment

As stated in the dividend policy, the payment of dividends (*if any*), the amounts and the timing of dividends, depends on both business conditions and a number of legal and regulatory requirements, as well as other factors as the Executive Board may deem relevant.

For practical reasons and as already announced in the Half Year 2019 results press release, B&S Group will shift from semi-annual payments to annual payments. This change will be effective from Full Year 2020 onwards.

The remainder of the dividend policy, which is available on the corporate website, will remain unchanged.

10. Composition of the Executive Board

Agenda item **10a**: it was proposed to the shareholders to re-appoint Mr. B.L.M (Bas) Schreuders as member of the Executive Board for the term of four years.

99.5% of the shareholders voted in favour of the proposal and 0.5% of the shareholders voted against the proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the AGM has resolved to re-appoint Mr. Schreuders as member of the Executive Board for the term of four years.

Agenda item **10b**: it was proposed to the shareholders to re-appoint Mr. N.G.P. (Niels) Groen as member of the Executive Board for the term of four years.

99.5% of the shareholders voted in favour of this proposal and 0.5% of the shareholders voted against the proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the AGM has resolved to re-appoint Mr. Groen as member of the Executive Board for the term of four years.

Agenda item **10c** is presented. On January 14, 2020, the Company announced the decision of Mr. Gert van Laar to retire as CFO of B&S Group, effective as of today, May 19, 2020. On behalf of the Supervisory Board, JAvB expresses his gratitude to Mr. Van Laar for his contribution, achievements and all the good work he has done during his ten years as CFO of B&S Group. Thanks to his knowledge, experience and dedication, he helped grow B&S Group into the Company it is today.

In the thorough selection process for a new CFO, the Supervisory Board considered both external and internal candidates before making the decision to nominate Mr. P. (Peter) Kruithof.

Mr. Kruithof holds over 15 years of experience in senior financial and managerial roles. He joined the B&S Group in 2008 as Finance Director and in this capacity served as member of the Management Board before becoming the Group's Corporate Treasurer in 2016. In this capacity he has been actively involved in M&A activities as well as the Group's capital structure management. Mr. Kruithof holds a master's degree in Accountancy & Controlling from Nyenrode Business University in the Netherlands.

Mr. Kruithof brings extensive financial expertise, deep knowledge and insight into B&S Group and the specific markets in which it operates. He has been working closely with the Executive Board for many years. His experience and knowledge contribute to the Group's focus on sustainable results aligned with the long-term strategy of B&S Group.

The Supervisory Board proposed the appointment of Mr. Kruithof as member of the Executive Board, serving as the Chief Financial Officer of the Group for a period of four years.

99.5% of the shareholders voted in favour of the proposal and 0.5% of the shareholders voted against the proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the AGM has resolved to appoint Mr. Kruithof as member of the Executive Board, serving as the Chief Financial Officer of the Group for the term of four years. JAvB congratulates Mr. Kruithof.

11. Composition of the Supervisory Board

The proposed re-appointment of Mr. R.P.C. (Rob) Cornelisse as member of the Supervisory Board complies with the diversity policy for the Supervisory Board and the profile drawn up by the Supervisory Board.

It was proposed to the shareholders to re-appoint Mr. Cornelisse as member of the Supervisory Board for the term of four years.

99.5%³ of the shareholders voted in favour of the proposal and 0.5%⁴ of the shareholders voted against the proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the general meeting of shareholders has resolved to re-appoint Mr. Cornelisse as member of the Supervisory Board for the term of four years.

12. Re-appointment of the external auditor

JAvB continues with agenda item 12: the re-appointment of Deloitte Audit S.à r.l. as external auditor for the financial year 2020.

100% of the shareholders voted in favour of the proposal, based on the voting results that were obtained by e-voting in advance of the meeting. JAvB therefore establishes that the

³ Note that this should be adjusted in: 97.08%, as per the Company's published votes results on 20 May 2020.

⁴ Note that this should be adjusted in: 2.92% as per the Company's published votes results on 20 May 2020.



**MINUTES OF MEETING AGM
B&S GROUP S.A.**

AGM has resolved to re-appoint Deloitte Audit S.à r.l. as external auditor for the financial year 2020.

13. Closure of the meeting

JAvB thanks the shareholders and other attendees for their attendance. The virtual setting of the AGM was the result of the extraordinary circumstances of the COVID-19 pandemic. The Executive Board and Supervisory board hope that they will soon have the opportunity to meet and interact with its shareholders in person again.

JAvB declares the annual general meeting of shareholders closed at 14:02 CEST.