

**DRAFT MINUTES**

**Annual General Meeting of shareholders of  
IMCD N.V.  
held on 9 May 2018 at 10:30 hours,  
at the Mainport by Inntel Hotel in Rotterdam, the Netherlands (the “AGM”)**

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*These minutes contain a short report of the proceedings at the AGM and do not give a verbatim record of the discussions held. Shareholders are offered the opportunity to react to the draft minutes for a period of three months, until 1 November 2018, by email to [cecile.westerhuis@imcdgroup.com](mailto:cecile.westerhuis@imcdgroup.com) or by post to IMCD N.V., attn. C.B.F.M. Westerhuis (company secretary), Wilhelminaplein 32, 3072 DE Rotterdam, the Netherlands.*

**1. Opening**

Mr Plantevin, chairman of the Supervisory Board of IMCD N.V. and chairman of the AGM opens the Annual General Meeting of shareholders of IMCD N.V. and welcomes those present at the meeting.

The meeting is conducted in English and is recorded on audiotape. The members of the Management Board, Mr Van der Slikke, CEO and Mr Kooijmans, CFO and the members of the Supervisory Board present at the meeting. The chairman introduces IMCD's external auditor for the financial year 2017, Mr Hendriks of Deloitte Accountants B.V. Mrs Westerhuis, company secretary of IMCD N.V., is designated to take minutes of the matters discussed at the meeting.

The chairman observes that the notice convening the AGM was posted on IMCD's corporate website on 27 March 2018, in accordance with the relevant provisions of the articles of association of IMCD and Dutch law. The notice, agenda, explanatory notes and a written proxy form were available from 27 March 2018 until the date of the meeting via IMCD's listing agent, at the offices of IMCD N.V. and at the company's website. Shareholders unable to attend the meeting have been given the opportunity to appoint a proxy or to issue voting instructions in writing or via the e-voting platform of IMCD's listing agent to a party designated by them or to a person designated by IMCD to collect the voting instructions.

The chairman reports that based on the attendance and registration list, the number of shares present or represented at the meeting, including the votes cast by proxy via the e-voting platform, totals 44,339,756 ordinary shares in IMCD N.V., with a corresponding number of voting rights, which equals 84.62 % of the total number of issued shares carrying voting rights of 52,397,254.

The chairman establishes that the requirements relevant to the convening and holding of IMCD's general meeting of shareholders have been met and that the meeting can validly resolve on the matters put forward in the agenda.

**2. Annual report 2017****2.a. Presentation by the Management Board**

Mr Van der Slikke and Mr Kooijmans elaborate on IMCD's business and financial performance in 2017, as reflected in the Annual Report 2017, on the basis of a presentation and a corporate animation video on IMCD's business and strategy, which are both available at the company's website.

The chairman invites those present to raise any matters they would like to discuss in relation to the Annual Report 2017.

Mr Arons (representing Vereniging van Effectenbezitters (VEB)) poses a number of questions.

Mr Kooijmans replies to Mr Arons first question to elaborate on the reasons for an increase of respectively 4 and 2 days of revenue for inventories and trade and other receivables as reported in the analyst presentation published by IMCD on 2 March 2018 (available on the company's website), page/slide 17. Mr Kooijmans comments that, looking at the development of IMCD's working capital days, the usual fluctuations during the year are visible. Quite often the final outcome at year end is merely a 'snapshot' of a certain moment in time. Looking at the trends during the year, Mr Kooijmans adds that he believes is fair to say that, on average, working capital days are relatively stable. Acquisitions may have a little bit of impact on the mix, but will not lead to material changes on this point.

Mr Arons second question is related to the foreign currency translation and the EUR 42 million negative impact on equity. He asked whether it is possible to reduce that impact. Mr Kooijmans comments that this currency effect is basically a given fact due to (global) exchange rate movements, which IMCD cannot influence. IMCD has activities and assets in different countries worldwide; revaluating these assets against actual currency exchange rates leads to either positive or negative differences.

On Mr Arons final question relating to the internal audit function installed in August 2017, Mr Kooijmans explains that, in the second half year of 2017 IMCD implemented a new position in IMCD's holding, being the internal auditor. This was done on top of all the internal control measures that IMCD already took in the past. IMCD formalised this position by recruiting somebody dedicated to internal audit, whereby this person will work in close cooperation with the other business controllers in the holding team. The biggest difference is that this is a more independent role, with reporting lines directly to the Management Board and the Supervisory Board. IMCD takes the topic of internal control serious and this was the main driver to install this position.

There are no further questions. The chairman reports that the number of shares present or represented at the meeting after closing of the registration remains unchanged and totals 44,339,756, representing 84.62 % of the ordinary shares in IMCD N.V.

The chairman proceeds with agenda item 2.b.

## **2.b. Corporate governance structure and compliance with the Corporate Governance Code**

The chairman elaborates on the company's corporate governance structure and compliance with the Dutch Corporate Governance Code, as reflected in the Annual Report 2017 (page 57 to 62 of the Annual Report).

IMCD's corporate governance structure was designed at the time of IMCD's listing in 2014, in accordance with laws and regulations as applicable at the time - including the 2008 Dutch Corporate Governance Code. The structure was discussed and approved by the General Meeting on 26 June 2014. The new Code did not bring fundamental changes to the company's corporate governance structure. Where necessary, IMCD's regulations have been amended in the course of 2017, to comply with the new Code. IMCD complies with the vast majority of the principles and best practices laid down in the Code. Where IMCD deviates from the Code, this is reported in the accountability paragraph in the Annual Report on page 61.

The chairman invites those present to raise any matters they would like to discuss in relation to IMCD's corporate governance structure.

The chairman observes that there are no questions and proceeds with agenda item 2.c.

## **2.c. Implementation of the remuneration policy in the financial year 2017**

The chairman notes that the implementation of the remuneration policy for IMCD's Management Board members in 2017 is described in footnote 50 on page 156 of the Annual Report and that further details are included in the Remuneration Report 2017 that was made available on the company's website.

Mr Pauze (in his capacity as chairman of the Remuneration Committee), gives a further explanation on IMCD's remuneration policy for the Management Board members, the implementation and outcome in 2017 and proposed changes for 2018 (and onwards). The General Meeting is requested to vote on these changes under agenda item 4.

In 2017, the Remuneration Policy was evaluated and the Remuneration Committee concluded together with the Supervisory Board that - although the basic framework for the management's compensation as provided in IMCD's Remuneration Policy is still adequate - the total Management Board compensation is no longer competitive when comparing this to IMCD's peers. Mr Pauze elaborates on the independent external benchmark study, executed by EY, that showed that total compensation for both the CEO and CFO in 2017 was well below the median of the peer group. The Supervisory Board took the opportunity of the re-appointment of both members of the Management Board to review and amend the Remuneration Policy for 2018 and onwards, consisting of a revision of the base salaries and the long term incentive opportunity.

In 2017 the base salaries of the Management Board members amounted to EUR 515,000 for the CEO and EUR 378,000 for the CFO. These base salaries have not been changed, except for inflation correction, since 2015. With a view to the outcome of the benchmark study, the Supervisory Board proposes to raise the base salaries of the members of the Management Board to EUR 638,000 for the CEO and EUR 497,000 for the CFO. An annual 2% correction for inflation on the 2016 data used in the EY study is included in this proposal.

Upon the proposal of the Remuneration Committee, the Supervisory Board determined the performance conditions for the Short Term Incentive (STI) cash bonus for 2017. For 2017, 15% of the STI was based on qualitative, non-financial, performance targets. The Supervisory Board determined four specific targets, which were met fully. The remaining 85% of the STI 2017 targets were based on organic growth and M&A growth, both measured by EBITA. Performance in 2017 exceeded the financial targets. Based on total performance and in line with the Remuneration Policy, the Supervisory Board determined to grant 1.5 times the 'at target' opportunity to each of the Management board members, resulting in a 2017 STI gross cash payment of EUR 391,353 to the CEO and EUR 287,759 to the CFO.

For 2018, the Supervisory Board decided to slightly adjust the weight of the STI targets. The weight of the qualitative, non-financial target(s) is increased to 20% (15% in 2017), the weight of the organic growth target is increased to 60% (56.7% in 2017) and the weight of the M&A growth target is decreased to 20% (28.3% in 2017). The Supervisory Board is of the opinion that this 20/60/20 division simplifies the structure of the STI bonus component and feels that these percentages better reflect the value of non-financial development and organic growth.

Regarding the Management Board's Long Term Incentive Plan (LTIP) the benchmark study executed by EY showed that the current LTI opportunity is not competitive in comparison to the peer group. Especially for CEO positions, the median LTI opportunity amounts to approximately 100% to 150%. The Supervisory Board therefore proposes to increase the value of this variable bonus part for the Management board to 100% of the base salary for at-target performance, with a maximum realisation level of 150%. The Supervisory Board is of the opinion that an increase of the value of the long-term bonus component also creates a better balance between short-term and long-term variable incentive, with more focus on the long-term performance of the company. By increasing the value of this variable component in the Management Board's compensation packages, the Supervisory Board aims to strengthen the focus on sustainable results and the creation of long term value through growth.

Except for the changes as discussed, the implementation of the remuneration policy in 2018 is envisaged to remain unchanged. Mr Pauze notes that, as the first award of conditional performance shares under IMCD's Long Term Incentive Plan originates from 2015, the first vesting of conditional performance shares will take place in 2018. This will be reported on in further detail in next year's Remuneration Report. Finally, Premier Farnell Plc will be removed from the TSR peer group (due to its delisting) and replaced by Aalberts Industries N.V. (listed at Euronext Amsterdam).

There are no questions raised in this respect. The chairman proceeds to the next agenda item.

#### **2.d. Proposal to adopt the financial statements 2017**

Mr Hendriks (Deloitte audit partner and external auditor to IMCD for the company and consolidated financial statements of IMCD for the financial year 2017) gives a short presentation on the process, materiality and key audit matters of the audit performed by him and his audit team as reflected in the unqualified auditor's opinion included in the Annual Report on pages 160 through 167. A copy of his presentation is included in the AGM presentation attached to these minutes and available at the company's website.

The chairman observes that there are no questions and that all documents and matters relating to the Annual Report and the financial statements 2017 have been discussed. The chairman puts the proposal to adopt the consolidated and company financial statements 2017 to the vote.

The chairman establishes that the consolidated and company financial statements 2017 as included in the Annual Report are adopted by the General Meeting with 44,022,792 votes in favour, 31,700 votes against and 305,264 abstentions.

#### **2.e. Proposal to adopt a dividend of EUR 0.62 per share in cash**

The chairman comments that in his presentation of the financial statements 2017, Mr Kooijmans gave an explanation on IMCD's reserve and dividend policy and the dividend proposal 2017 consisting of a dividend of EUR 0.62 in cash per share in line with the dividend policy.

The chairman proceeds with the voting on agenda item 2.e.

The chairman notes that 44,339,756 votes are cast in favour, with no votes against and no votes abstained. On the basis of the votes cast, the chairman establishes that the proposal to distribute a cash dividend of EUR 0.62 per share is adopted by the General Meeting.

#### **2.f. Proposal to discharge from liability the members of the Management Board**

The chairman notes that in accordance with article 23.4 of the company's articles of association it is proposed that the members of the Management Board are discharged from liability for the performance of their duties in the financial year 2017 insofar as the exercise of such duties is reflected in the financial statements or otherwise disclosed to the General Meeting prior to the adoption of the financial statements 2017.

There are no questions raised in this respect. The chairman puts the proposal to the vote.

The chairman establishes that the proposal to discharge the members of the Management Board for the performance of their duties in 2017 is adopted by the General Meeting with 43,964,932 votes in favour, 86,700 votes against and 306,124 abstentions.

#### **2.g. Proposal to discharge from liability the members of the Supervisory Board**

The chairman notes that in accordance with article 23.4 of the company's articles of association it is proposed, as a separate agenda item, that the members of the Supervisory Board are discharged from liability for the performance of their duties in the financial year 2017 insofar as the exercise of such duties is reflected in the financial statements or otherwise disclosed to the General Meeting prior to the adoption of the financial statements 2017.

There are no questions raised in this respect. The chairman puts agenda item 2.g. to the vote.

The chairman establishes that the proposal to discharge the members of the Supervisory Board for the performance of their duties in 2017 is adopted by the General Meeting with 43,964,932 votes in favour, 86,700 votes against and 306,124 abstentions.

### **3. Composition of the Management Board**

The chairman refers to IMCD's listing in 2014, when Piet van der Slikke and Hans Kooijmans, who have been leading IMCD since the mid '90, were appointed as members of the Management Board of IMCD for a term of four years. Both their terms end formally at the end of today, the date of the AGM in the fourth year upon appointment. In accordance with the Articles of Association, the Supervisory Board has made binding nominations regarding the re-appointment of both members of the Management Board. The chairman invites those present to raise any matters they would like to discuss in respect of these proposals for reappointment.

There are no questions raised.

#### **3.a. Proposal to reappoint Mr Piet van der Slikke, CEO**

The chairman puts agenda item 3.a. to the vote. There are 43,264,118 votes cast in favour, no votes cast against and 1,075,638 votes are abstained. The chairman establishes that the General Meeting has reappointed Mr Van der Slikke as member and CEO of the Management Board.

#### **3.b. Proposal to reappoint Mr Hans Kooijmans, CFO**

The chairman puts agenda item 3.b. to the vote. There are 43,264,118 votes cast in favour, no votes cast against and 1,075,638 votes are abstained. The chairman establishes that the General Meeting has reappointed Mr Kooijmans as member and CFO of the Management Board.

The chairman compliments Mr Van der Slikke and Mr Kooijmans on their work in the past years and congratulates them on their reappointment.

### **4. Remuneration of the Management Board**

The chairman refers to the revised draft of the Remuneration Policy attached to the Remuneration Report, available at the company's website and the further explanation provided by Mr Pauze. As the discussion on these proposals took place under agenda item 2.c., the chairman proceeds to put the proposals 4.a. and 4.b. to the vote.

#### **4.a. Proposal to adopt the revised Remuneration Policy, including adjustment of the long-term variable compensation**

The chairman puts agenda item 4.a. to the vote. There are 41,705,701 votes cast in favour, 2,579,256 votes cast against and 54,799 votes are abstained. On the basis of the votes cast, the chairman establishes that the revised Remuneration Policy has been approved.

#### **4.b. Proposal to approve the revised annual base salaries for the Management Board**

The chairman puts agenda item 4.b. to the vote. There are 43,319,861 votes cast in favour, 62,254 votes cast against and 957,641 votes are abstained. On the basis of the votes cast, the chairman establishes that the General Meeting has adopted the revised base salaries for the Management Board.

### **5. Composition of the Supervisory Board**

The chairman refers to IMCD N.V.'s Articles of Association which prescribe that the Supervisory Board consists of five members and notes that, in accordance with the rotation schedule, available at IMCD's

corporate website, the mandate of three of its members, himself, Mr Kaaks and Mr Pauze, expire on the date of this AGM. Mr Pauze has indicated that he will not be available for reappointment. To fill the vacancies as a result of the expiration of the terms mentioned, the Supervisory Board has made binding nominations to re-appoint Mr Plantevin and Mr Kaaks for, respectively, a third term of one year and a second term of four years. The chairman further notes that the Supervisory Board nominated Mr Stephan Nanninga, present here, as Supervisory Board member for a first term of four years.

The chairman notes that the binding nominations were notified to the General Meeting in IMCD N.V.'s press release of 2 March 2018. All nominees fit IMCD's Supervisory Board Profile and the Supervisory Board considers their (re)appointment in the interest of the company given their relevant expertise and experience. The chairman refers to the explanatory notes to the agenda for this meeting which include the relevant personal and professional details of Mr Nanninga. He notes that the binding nominations of the Supervisory Board may only be rejected by the General Meeting with a resolution adopted by an absolute majority of the votes cast which represents at least one-third of the issued share capital.

No questions are raised and the chairman proceeds to put the proposals to the vote.

#### **5.a. Proposal to reappoint Mr Michel Plantevin**

The chairman puts agenda item 5.a. to the vote. There are 44,177,502 votes cast in favour, 117,254 votes cast against and 45,000 votes are abstained. The chairman establishes that the General Meeting has reappointed him as member of the Supervisory Board and thanks those present for their show of support.

#### **5.b. Proposal to reappoint Mr Arjan Kaaks**

The chairman puts agenda item 5.b. to the vote. There are 43,101,864 votes cast in favour, 117,254 votes cast against and 1,120,638 votes are abstained. The chairman establishes that the General Meeting has reappointed Mr Kaaks as member of the Supervisory Board.

#### **5.c. Proposal to appoint Mr Stephan Nanninga**

The chairman puts agenda item 5.c. to the vote. There are 41,239,394 votes cast in favour, 2,024,724 votes cast against and 1,075,638 votes are abstained. The chairman establishes that the General Meeting has appointed Mr Nanninga as member of the Supervisory Board.

The chairman welcomes Mr Nanninga to the Supervisory Board and expresses that he looks forward to working together. The chairman also thanks Mr Pauze for his great service on the Supervisory Board of IMCD, first as chairman and later as chairman of the Remuneration Committee.

### **6. Reappointment of the External Auditor for the financial years 2019 and 2020**

The chairman comments that, as reported on in the explanatory notes to the agenda, based on the positive advice of the Audit Committee, the Supervisory Board proposes to the General Meeting to appoint Deloitte Accountants B.V. as the external auditor for the financial years 2019 and 2020.

As there are no further questions raised, the chairman puts agenda item 6 to the vote.

There are 44,339,756 votes cast in favour, with no votes against and no abstentions. The chairman establishes that the proposal is adopted and that the General Meeting has appointed Deloitte Accountants B.V. as the external auditor for the financial years 2019 and 2020.

### **7. Extension of the designation of the Management Board as the body authorised to issue shares and to restrict or exclude the pre-emptive rights in relation thereto**

The chairman explains that based on the provisions of articles 6.1 and 6.3 of the company's articles of association it is proposed to extend the authority of the Management Board as granted at IMCD's AGM of last year to issue shares and/or grant rights to acquire shares and to restrict or exclude the pre-emptive rights in relation thereto, in both instances subject to approval of the Supervisory Board and for a period of 18 months from the date of this meeting, up to a maximum of 10% of the issued share capital as at 9 May 2018, to be increased by an additional 10% in the event of mergers, acquisitions and/or strategic alliances. These proposals are put to the vote as four separate voting items, because of different quorum requirements.

The Management Board and Supervisory Board believe that it is in the interest of the company and its shareholders, that the Management Board is able to react in a timely manner when certain opportunities or situations arise that need the issue of shares. Therefore, as an annually recurring agenda item, the AGM is requested to authorise the Management Board to issue shares and to pass related pre-emptive rights in situations where it is imperative to act quickly, without the need to obtain prior shareholder approval at an extraordinary general meeting which would take valuable time to convene and could create disruptive market speculation.

The chairman asks if there are any questions relating to this proposal and established that there are no questions.

#### **7.a. designation of the MB as authorised body to issue shares**

The chairman puts agenda item 7.a. to the vote and establishes that the General Meeting has (again) designated the Management Board as the corporate body authorised to issue shares and/or to grant rights to subscribe for shares up to 10% on the conditions and as proposed in the explanatory notes to agenda item 7.a. with 33,611,407 votes in favour, 10,728,349 votes against and no abstentions.

#### **7.b. designation of the MB as authorised body to restrict or exclude the pre-emptive rights on shares as described under 7.a.**

As more than one half of the issued share capital is present or represented, the two third quorum requirements are not applicable.

The chairman continues to put agenda item 7.b. is put to the vote, whilst explaining that this resolution requires a majority of at least two thirds of the votes cast if less than one half of the issued share capital is present or represented. As more than one half of the issued share capital is present or represented, the two third quorum requirements are not applicable.

On the basis of the votes cast, the chairman establishes that the proposal is approved with 33,466,021 votes in favour, 10,873,735 votes against and no abstentions, meaning that General Meeting has designated the Management Board as the corporate body authorised to restrict or exclude the pre-emptive rights in respect of the issue of shares or the granting of rights to acquire shares pursuant to the authorisation given under agenda item 7.a. on the conditions and as proposed in the explanatory notes to the agenda.

The chairman proceeds with the final agenda item left for the meeting.

### **8. Authorisation of the Management Board to acquire shares**

The chairman explains that it is proposed to authorise the Management Board for a period of 18 months, starting the date of the AGM, to purchase fully paid-up shares in the company's share capital up to a maximum of 10% of the issued capital at the date of acquisition, at a price not lower than the nominal value of the shares and not higher than 10% above the average closing price of the shares on Euronext Amsterdam for the five preceding trading days. The proposed authorisation will replace the authorisation granted to the Management Board at the 2017 AGM.

There are no questions raised and the chairman puts the proposal set forth in agenda item 8. to the vote.

44,235,050 votes are cast in favour, 45,000 votes are cast against and there are 59,706 abstentions. On the basis of the votes cast, the chairman establishes that the General Meeting has authorised the Management Board for a period of 18 months, starting 9 May 2018, to purchase fully paid-up shares in the company's share capital on the conditions and as proposed in agenda item 8 and as further set forth in the explanatory notes to the agenda of the meeting.

#### **9. Any other business**

The chairman invites those present to put forward any other questions or comments that they would like to raise before the closing of the meeting. There are no further questions or comments.

#### **10. Closing**

The chairman thanks all persons present for their attendance and participation and closes the meeting.

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