

**DRAFT MINUTES**

**Annual General Meeting of shareholders of  
IMCD N.V.  
held on 22 June 2021 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 at least three months, until 31 December 2021, by email to [ir@imcdgroup.com](mailto:ir@imcdgroup.com) or by post to IMCD N.V., for attention of the Company Secretary (Mrs. Cecile Westerhuis), Wilhelminaplein 32, 3072 DE Rotterdam, the Netherlands.*

## **1. Opening**

Mr Smalbraak, chair of the Supervisory Board of IMCD N.V. and chair 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 chair introduces IMCD’s external auditor for the financial year 2020, 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 chair observes that the notice convening the AGM was posted on IMCD’s corporate website on 11 May 2021, 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 11 May 2021 until the date of the meeting via IMCD’s listing agent, at the office 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 chair 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 48,998,349 ordinary shares in IMCD N.V., with a corresponding number of voting rights, which equals 86.05% of the total number of issued shares carrying voting rights of 56,941,496.

The chair 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. Review 2020**

### **2.a. Presentation by the Management Board in the financial year 2020**

The presentation of Mr Van der Slikke and Mr Kooijmans on IMCD’s business and financial performance in 2020, as reflected in the Annual Report 2020, is made available to the meeting and will be published at the company’s website. The chair invites those present to raise any matters they would like to discuss in relation to the Annual Report 2020.

There are no questions raised in respect of the presentation by Mr Van der Slikke and Mr Kooijmans. The chair reports that the number of shares present or represented at the meeting after closing of the registration remains 48,998,349 shares and proceeds with agenda item 2.b.

## **2.b. Presentation of the external auditor on the audit of the 2020 financial statements**

Mr Hendriks (Deloitte audit partner and external auditor to IMCD for the company and consolidated financial statements of IMCD for the financial year 2020) 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 187 through 195. A copy of his presentation is included in the AGM presentation attached to these minutes and available at the company's website.

The chair invites those present to raise any matters they would like to discuss in respect of the presentation provided by the auditor.

Mr. Den Ouden (representing the VEB (*Vereniging van Effectenbezitters*)) refers to page 191 of the auditor's report enclosed in the Annual Report, where a key audit matter in respect of the IT landscape is mentioned, where a paragraph starts with a sentence that is not finished. He asks Mr. Hendriks what he meant to say in that paragraph. Upon review, it appears that a small part of a sentence of the 2019 auditor's opinion was not deleted by mistake. Mr Hendriks furthermore explains that Deloitte has in its 2020 audit looked at IMCD's IT systems for financial reporting in context of identifying any material misstatements in the financial statements.

Mr. Den Ouden poses a second question. As the remuneration report is not included in the Annual Report, Mr. Den Ouden asks Mr. Hendriks if he has reviewed that report. Mr. Hendriks answers that this is indeed the case and Deloitte has reviewed the Remuneration Report 2020 in the context of the Dutch law, which required the auditor to review whether the report is consistent with the financial statements that Deloitte audited. He confirms that there are no remarks in the auditor's opinion in respect of the Remuneration Report 2020.

As a last question Mr. Den Ouden asks Mr Hendriks about the state of IMCD's IT controls and if he thinks that the high acquisition speed of the company forms a risk for the auditor's controls. Mr. Hendriks replies that he has tried to explain in his presentation that the company has invested in the last number of years in their IT capabilities and IT controls in such a way that at the end of 2020, Deloitte could have moved to a control reliant audit, but that it was chosen not to do so for efficiency reasons. It would have meant that there would have been, in a way, two audits in the year; one more substantive audit for the first months of the year and, second, a control reliant audit for the latter part of the year. That approach was perceived to be inefficient and therefore it was chosen to continue in the way Deloitte performed the audit in previous years. Mr Hendrik emphasizes that Deloitte did again look at the controls in IMCD's IT systems and that it was satisfied with them. Mr. Hendriks notes that he thinks that the IT controls are sufficient to rely on for the audit of 2021.

On behalf of the full Supervisory Board, the chair thanks Mr. Hendriks for the pleasant cooperation in the past five years.

The chair observes that no further questions are raised and proceeds with the next agenda-point, which is the proposal to approve, by advisory vote, the Remuneration Report 2020.

## **2.c. Remuneration Report 2020**

The chair notes that the implementation of the remuneration policy for IMCD's Management Board members in 2020 is described in footnote 52 on page 180 and 181 of the Annual Report and that further details are included in the Remuneration Report 2020 that was made available on the company's website.

Mr Nanninga (in his capacity as chair of the Remuneration Committee) gives a further explanation on IMCD's remuneration policy for the Management Board members and its implementation in 2020. There are no questions raised in respect of the implementation of the remuneration policy in the year 2020.

In accordance with new Dutch legislation, this is the first year that the remuneration report is put to the General Meeting for an advisory vote. The chair invites those present to raise any matters they would like to discuss in relation to the 2020 Remuneration Report. With no questions raised for discussion, the chair proceeds to put the proposal to, by way of advisory vote, approve the 2020 Remuneration Report to the vote.

Mr. den Ouden wishes to make a statement before voting on the Remuneration Report. On behalf of the VEB he notes that the VEB has the opinion that the Remuneration Report is not in conformity with the rules. It gives, in the opinion of the VEB, insufficient insight in both the short term and the long term targets and the way they were realised, so it is not clear how the bonuses relate to the performance. The VEB requires IMCD to publish this information in the next year in the remuneration report. For now, the VEB will vote against the report. The chair notes that this statement will be included in the minutes.

The chair continues with the vote and establishes that the 2020 Remuneration Report, as published on the company's website, is approved by the General Meeting with 45,974,349 votes in favour, 2,886,704 votes against and 137,296 abstentions.

## **2.d. Proposal to adopt the financial statements 2020**

The chair observes that all documents and matters relating to the Annual Report and the financial statements 2020 have been discussed that there are no questions remaining. The chair puts the proposal to adopt the consolidated and company financial statements 2020 to the vote.

The chair establishes that the consolidated and company financial statements 2020 as included in the Annual Report are adopted by the General Meeting with 48,543,024 votes in favour, 26,848 votes against and 428,477 abstentions.

## **2.e. Proposal to adopt a dividend of EUR 1.02 per share in cash**

The chair notes that in his presentation of the financial statements 2020, Mr Kooijmans gave an explanation on IMCD's reserve and dividend policy and the dividend proposal 2020 consisting of a dividend of EUR 1.02 in cash per share in line with the dividend policy, and proceeds with the voting on agenda item 2.e.

The chair notes that 48,897,980 votes are cast in favour, 100,369 votes are cast against and no votes abstained. On the basis of the votes cast, the chair establishes that the proposal to distribute a cash dividend of EUR 1.02 per share is adopted by the General Meeting.

## **3. Discharge of liability**

### **3.a. Proposal to discharge from liability the members of the Management Board**

The chair 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 2020 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 2020.

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

The chair establishes that the proposal to discharge the members of the Management Board for the performance of their duties in 2020 is adopted by the General Meeting with 48,404,745 votes in favour, 265,106 votes against and 328,498 abstentions.

### **3b. Proposal to discharge from liability the members of the Supervisory Board**

The chair 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 2020 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 2020.

There are no questions raised in this respect. The chair puts agenda item 3.b. to the vote.

The chair establishes that the proposal to discharge the members of the Supervisory Board for the performance of their duties in 2020 is adopted by the General Meeting with 48,404,555 votes in favour, 265,296 votes against and 328,498 abstentions.

### **4. Proposal to reappoint Deloitte Accountants B.V. for the financial year 2021**

Following the Audit Committee's recommendation, the Supervisory Board proposes to the General Meeting to appoint Deloitte Accountants B.V. as the external auditor for the financial year 2021. The chair explains that, taking applicable regulations into account, Mr. Hendriks who has been lead partner for IMCD's audit in the past five years, will step down and be succeeded by Mr Christian Binkhorst, who is present today to answer any questions.

As there are no questions raised, the chair proceeds with voting on agenda item 4. The chair notes that 48,985,640 votes are cast in favour, 200 votes are cast against and 12,509 votes abstained. On the basis of the votes cast, the chair establishes that the proposal is adopted and that the General Meeting has appointed Deloitte Accountants B.V. as the external auditor for the financial year 2021.

### **5. 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 chair explains that based on the provisions of articles 6.1 and 6.3 of the company's articles of association it is proposed to designate the Management Board of IMCD N.V. as the body authorised 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 22 June 2021. These proposals are put to the vote as 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 chair asks if there are any questions relating to this proposal and established that there are no questions.

#### **5.a. Designation of the Management Board as authorised body to issue shares**

The chair puts agenda item 5.a. to the vote and establishes that, with 48,864,637 votes in favour, 133,493 votes against and 219 abstentions, the General Meeting has designated the Management Board as the corporate body authorised to issue shares and/or to grant rights to subscribe for shares up to 10% of the total number of issued shares outstanding on 22 June 2021, on the conditions and as proposed in the explanatory notes to agenda item 5.a. This authorisation will replace the authorisation granted to the Management Board at the 2020 AGM.

#### **5.b. Designation of the MB as authorised body to restrict or exclude the pre-emptive rights on shares as described under 5.a.**

The chair continues to put agenda item 5.b. 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 chair establishes that with 41,931,065 votes in favour, 7,066,935 votes against and 349 abstentions, the General Meeting has designated the Management Board as the corporate body 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 5.a. on the conditions and as proposed in the explanatory notes to the agenda.

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

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

The chair 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 2020 AGM. There are no questions raised and the chair puts the proposal set forth in agenda item 6. to the vote.

On the basis of the votes cast, the chair establishes that 48,935,106 votes are cast in favour, 44,185 votes are cast against and 19,058 votes abstained, meaning that the General Meeting has authorised the Management Board for a period of 18 months, starting 22 June 2021, to purchase fully paid-up

shares in the company's share capital on the conditions and as proposed in agenda item 6 and as further set forth in the explanatory notes to the agenda of the meeting.

## 7. Any other business

The chair invites those present to put forward any other questions or comments that they would like to raise before the closing of the meeting.

Mr. Rienks wishes to pose a question. He notes he has been a shareholder for quite some years and is impressed with IMCD's successes and would like to congratulate the company and its management with the fantastic growth achieved over the years. He asks Mr Van der Slikke to comment on how IMCD has been able to keep up this growth pace, year-on-year, without - so it seems - making mistakes. Even when faced with the corona crisis, IMCD kept growing and reported great results. How does IMCD make sure that it does not make a wrong acquisition? Will IMCD be able to keep up its growth pace and exceed market growth also in the future? Mr. Rienks asks Mr Van der Slikke to react.

Mr. Van der Slikke thanks Mr. Rienks for his questions and notes that he will first respond in respect of IMCD's organic growth and how it outpaces market growth. He emphasizes that IMCD operates in a variety of very different market segments; it is not one market. IMCD serves industrial market segments, like coatings and constructions, advanced materials and lubricants for example, but also life science markets, such as the pharmaceuticals market - which grew a lot last year -, the food market and personal care market. These are all very different market segments that have different growth rates.

Mr. Van der Slikke continues to explain that IMCD's growth pillars are threefold. For one, IMCD grows with the GDP (growth) in every market that it operates in. Secondly, there is the market share that IMCD is able to gain from competitors. So when IMCD performs well, it will grow a little bit faster than others. And thirdly, growth is also driven by the growth of the speciality chemicals and ingredients market. The last one is very difficult to quantify as it involves a very broad spectrum of products, but also there, normally, one will see that if populations grow, the use of speciality chemicals will grow as well. These are the pillars that IMCD relies on for its organic growth. On top of that, as Mr. Rienks noted, come acquisitions.

In respect of the acquisitions, Mr. Van der Slikke notes that he believes Mr. Rienks to be right in his statement of risk involved. It is something that IMCD and its management has to be very diligent and careful about; you have to consider what transactions to do and how to do it. Mr. Van der Slikke notes however that it is good to bear in mind that most of IMCD's acquisitions are relatively small, of course, has an influence on the risk profile. Explaining this further; it means that if IMCD would make a mistake somewhere - Mr. Van der Slikke notes that also IMCD's management is not perfect and can make mistakes - than it does not have an enormous impact on the results of IMCD.

Adding to this, Mr. Van der Slikke noted that he resists the notion of IMCD being an 'acquisition machine'. Many companies, listed and unlisted, grow because of acquisitions; whether it is DSM or it's Philips or Shell. All big companies grow, also by acquisitions. It is not something special. What IMCD does, is capture the trend in the market of consolidation of the speciality chemicals and ingredients industry, whereby IMCD sets out to be a consolidator. In short, that is the core of IMCD's acquisition philosophy.

To react to the questions whether IMCD has and always will be successful, Mr. Van der Slikke responds that he has always been quite conservative. As management board, He and Mr. Kooijmans are very well aware that there will potentially be years that IMCD does not grow very fast, or even years with no growth. Mr. Van der Slikke notes that the board members are not magicians; it is the strength of IMCD's business model in itself, the diversified market segment approach with strategies for each individual

market, that make it quite resilient for economic downturns. The business model provides for compensation factors. For example, last year there was a strong downturn for the use of advanced materials, but on the other hand an enormous uptick in pharmaceuticals.

The resilience of the business model to deal with economic ups and downs was visible during the financial crisis, where IMCD weathered the storm quite well, and is visible now again. That however does not imply that IMCD will never have setbacks. It can have setbacks depending on developments in its supplier relations or for example when economic circumstances are really down. Those factors will, of course, have its effect and results may not always go up. Mr. Van der Slikke notes that up until now, IMCD has had a fair part of luck, that together with good staff and hard work enabled it to capture the trends in the market in a good way. The culture at IMCD however remains very down to earth, hands-on, and with a focus to not deviate from the core business. IMCD has specialists on board in each segment, and a very well balanced and good IT structure that gives the management the opportunity to look day-by-day, every day, at the numbers, so that it can follow the business very well. But ICMD's business also has risks, like other companies. Mr. Van der Slikke notes that the IMCD team is and has to be extremely diligent and careful to avoid that these risks materialise.

Finally, in respect of IMCD's share price Mr. van der Slikke notes that he has no control in that respect, but that he of course sees that the favourable developments are a consequence of ICMD's performance. He thanks the shareholders for their trust, which is encouraging to continue the good work.

Mr. Rienks follows up with a remark that he wonders how long it can stay like this and go so well. In reply, Mr. Van der Slikke notes that neither Mr. Rienks nor himself can look into the future. The quality of IMCD's people, quality of management, and level of control are all key elements to IMCD's performance. As no one can predict the future, we can only continue as we do and hope for the best.

Mr. De Groot asks if IMCD has a position in the supply to the pharmaceutical industry. Mr. Van der Slikke answers that this is a substantial position as IMCD is one of the largest distributors to the pharmaceutical industry worldwide. In further conversation with Mr. De Groot, he explains again that IMCD has specialist in each segment. So for each segment, whether it is materials for the cleaning industry or for pharmaceuticals, IMCD has specialists with industry specific education and experience, that sell the products in the portfolio to such industry.

Mr. Den Ouden has a final question for the Supervisory Board. The term of the board members ends next year and Mr. Den Ouden asks if the Supervisory Board has already started discussions for succession planning or continuation. Mr. Smalbraak answers that this topic is indeed being looked after very carefully.

There are no further questions or comments brought forward. Mr. Smalbraak turns to Mr. Plantevin and thanks him for his contribution to the Supervisory Board and the company, as both member and chair during his ten year term. It has been an incredible ride and great fun.

## **8. Closing**

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

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