

## Agenda for Annual General Meeting of Shareholders

Agenda for the **Annual General Meeting of Shareholders of Alfen N.V., Almere, the Netherlands (the “Company”)** to be held on **Wednesday, 8<sup>th</sup> April, 2020 at 14.00 at the Alfen offices at the Hefbrugweg 28, 1332 AP Almere, the Netherlands (PLEASE NOTE THIS NEW LOCATION DUE TO THE CORONAVIRUS)**

The following agenda items are scheduled for this Annual General Meeting:

1. Opening
2. 2019 Annual Report
  - a. Report of the Management Board for 2019
  - b. Remuneration report for 2019 \*
3. 2019 Financial Statements
  - a. Proposal to adopt the Financial Statements for 2019 as included in the 2019 Annual Report \*
  - b. Explanation of dividend and reserve policy
4. Discharge of the members of the Management Board and the Supervisory Board from liability for the exercise of their respective duties
  - a. Proposal to discharge the members of the Management Board from liability \*
  - b. Proposal to discharge the members of the Supervisory Board from liability \*
5. Remuneration policy
  - a. Proposal to adopt the remuneration policy for the Management Board \*
  - b. Proposal to adopt the LTI plan for members of the Management Board \*
  - c. Proposal to adopt the remuneration policy for the Supervisory Board \*
6. Extension of the authorities of the Management Board
  - a. Proposal to extend the designation of the Management Board to issue shares and/or grant rights to subscribe for shares and to limit or exclude pre-emptive rights for a period of 18 months \*
  - b. Proposal to authorize the Management Board to cause the Company to acquire own shares for a period of 18 months \*
7. Proposal to appoint the external auditor PWC for 2021 \*
8. Any other business
9. Closing

*\* Items put on the agenda for voting. Item 2b concerns an advisory vote. The other items are on the agenda for discussion only.*

## Explanatory notes to the agenda

### 2. 2019 Annual Report

#### A. Report of the Management Board for 2019

The Management Board will give a presentation on the performance of the Company in 2019. Subsequently, the General Meeting of Shareholders will be invited to discuss the Report of the Management Board for 2019. Reference is made to the 2019 Annual Report, which is available on the Company website under: [www.ir.alfen.com](http://www.ir.alfen.com).

## **B. Remuneration report for 2019**

In accordance with Dutch legislation (Section 2:135 DCC), the remuneration report 2019 is discussed with the Shareholders and put to the General Meeting for an advisory vote. It is proposed to approve the remuneration report 2019.

The Company has drawn up the remuneration report 2019, including an overview of remuneration to individual members of the Management Board and of the Supervisory Board in accordance with the statutory requirements. Please refer to the remuneration report 2019 as included in the annual report 2019 on pages 69 - 71 and to the website [www.ir.alfen.com](http://www.ir.alfen.com).

## **3. 2019 Financial Statements**

This agenda item includes one voting item: the proposal to adopt the Financial Statements for 2019, as included in the 2019 Annual Report. The profit over the financial year 2019 will be added to the freely distributable reserves of the Company. As a separate agenda item the dividend and reserve policy, as included in the 2019 Annual Report, will also be discussed.

## **4. Discharge of the members of the Management Board and the Supervisory Board from liability for the exercise of their respective duties**

The proposals to release the members of the Management Board and the members of the Supervisory Board from liability for the exercise of their respective duties, as stipulated in article 30 of the Articles of Association, are separate agenda items. It is proposed that the members of the Management Board and the members of the Supervisory Board be released from liability for the exercise of their respective duties, insofar as the exercise of such duties is reflected in the 2019 Annual Report or information is otherwise disclosed to the General Meeting of Shareholders prior to the adoption of the 2019 Financial Statements. The scope of the release from liability shall be subject to limitations by virtue of the law.

## **5. Remuneration policy**

### **a. Proposal to adopt the remuneration policy for the Management Board**

Alfen N.V.'s current remuneration policy was adopted by the General Meeting of Shareholders on 11 March 2018, and is available on the corporate website: <https://ir.alfen.com/system/files/downloads/Remuneration%20Policy.pdf>. Last year, with support from external advisors, the remuneration arrangement for the Managing Directors was reviewed to provide for a better alignment between the interests of the Managing Directors and the Company's shareholders and other stakeholders. A new remuneration policy is proposed, which is also available on the corporate website at [www.ir.alfen.com](http://www.ir.alfen.com).

In alignment with the Company's size and profile, compared to other companies included in the labor market peer group, based on a selection of 14 to 16 small cap funds in the Netherlands, the total remuneration package as well as the annual base fee of the Managing Directors is set at the median level. The general pay differentials within the Company, and specifically within senior management, were taken into account when taking this decision.

As part of the review of the remuneration arrangement, new emoluments consisting of a short term incentive (STI) and long term incentive (LTI, see agenda item 5.b) for the Managing Directors, are introduced in this remuneration policy. In addition, the remuneration policy has been brought in line with the new requirements following from Section 2:135a DCC implementing the new framework following from the Shareholders Rights Directive II.



The works council has positively advised on the new remuneration policy. The positive advice forms part of the meeting documents.

The Supervisory Board proposes to adopt the remuneration policy of the Management Board laid down in paragraphs 1-7 of the remuneration policy which forms part of the meeting documents. This remuneration policy will apply with retroactive effect as of 1 January 2020.

**b. Proposal to adopt the LTI plan for members of the Management Board**

Part of the changes proposed in the new remuneration policy is the introduction of a share based long term incentive (LTI) plan for the members of the Management Board as laid down in paragraphs 2 and 5.4 of the remuneration policy, and the separate rules of the long term incentive plan for Managing Directors, which both form part of the meeting documents. In accordance with article 13.4 of the Company's articles of association a separate vote on the LTI plan is required. Details regarding the number of shares and the criteria that apply to any award are reflected in the LTI plan and the remuneration policy.

The LTI plan allows the Managing Directors to receive annual conditional awards of performance shares where the value of the 'at target' number of performance Shares shall be 40% of the Managing Director's annual base fee at the start of the three year performance period, with an actual vesting bandwidth of 30% - 50%, taking into account the value of a fully paid ordinary share in the capital of the Company at the start of the performance period.

The Supervisory Board proposes to adopt the LTI plan for the members of the Management Board laid down in paragraph 5.4 of the remuneration policy and the separate rules of the long term incentive plan for Managing Directors which form part of the meeting documents.

**c. Proposal to adopt the remuneration policy for the Supervisory Board**

The current remuneration (policy) of the Supervisory Board dates from the General Meeting of Shareholders in March 2018. The Supervisory Board assessed the remuneration (policy) of the Supervisory Board also in comparison with the other peer group companies. The Supervisory Board has decided not to change the contents of the current remuneration (policy) of the Supervisory Board, except for a possible increase of the remuneration of a Supervisory Director to be appointed in the future, as set out in paragraph 8 of the remuneration policy. Furthermore, the description of the remuneration policy is brought in line with the new statutory requirements. The changes made are explained. The works council has positively advised on the new remuneration policy. The positive advice forms part of the meeting documents.

The Supervisory Board proposes to adopt the remuneration policy of the Supervisory Board laid down in paragraphs 1 and 8-9 of the remuneration policy which forms part of the meeting documents. This remuneration policy will apply with retroactive effect as of 1 January 2020.

## **6. Extension of authorities to the Management Board**

### **a. Proposal to extend the designation of the Management Board to issue shares and/or grant rights to subscribe for shares.**

It is proposed to extend the Management Board's authorities for a period of 18 months following the date of this Annual General Meeting of Shareholders, i.e. until and including 8 October 2021, subject to the approval of the Supervisory Board, to issue shares and/or grant rights to subscribe for shares, and to limit or exclude pre-emptive rights of existing shareholders up to a maximum of 10% of the issued share capital on the date of this Annual General Meeting of Shareholders. Consequently, the resolution of last year's Annual General Meeting of Shareholders (dated April 18, 2019) will lapse.

### **b. Proposal to authorise the Management Board to cause the Company to acquire its own shares.**

It is proposed to authorise the Management Board subject to the approval of the Supervisory Board, to cause the Company to acquire its own shares up to a maximum of 10% of the issued share capital on the date of this Annual General Meeting of Shareholders, either through a purchase on a stock exchange or otherwise at a price, excluding expenses, not lower than the nominal value of the shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%, for a period of 18 months following the date of this Annual General Meeting of Shareholders, i.e. until and including 8 October 2021. The proposed authorisation will replace the authorisation granted to the Management Board on 18 April 2019.

## **7. Proposal to appoint the external auditor PWC for 2021**

Pursuant to article 393, book 2 of the Dutch civil code, the General Meeting of Shareholders charges an external auditor with the task of auditing the financial statements.

The Management Board and the Supervisory Board have evaluated the activities performed for Alfen N.V. by PricewaterhouseCoopers Accountants N.V. It is apparent that PricewaterhouseCoopers Accountants N.V. is capable of forming an independent judgment concerning all matters that fall within the scope of its auditing task; there is a good balance between the effectiveness and efficiency of their actions, for example in relation to auditing costs, risk management and reliability.

On this basis, the Supervisory Board proposes to reappoint PricewaterhouseCoopers Accountants N.V. with the auditing of the financial statements for the financial year 2021.