

# AGENDA

## 2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS OF KENDRION N.V.

- 1. Opening**
- 2. Report Executive Board and 2018 Remuneration Report**
  - a. Report of the Executive Board on the developments in 2018 (discussion)
  - b. 2018 Remuneration Report (discussion)
- 3. 2018 Financial Statements**

Adoption of the 2018 Financial Statements (resolution)
- 4. Dividend**
  - a. Dividend policy (discussion)
  - b. Dividend distribution (resolution)
- 5. Discharge members Executive Board**

Granting discharge to the members of the Executive Board for their management of the Company in 2018 (resolution)
- 6. Discharge members Supervisory Board**

Granting discharge to the members of the Supervisory Board for their supervision of the management of the Company in 2018 (resolution)
- 7. Reappointment of Mr J.A.J. van Beurden as member of the Executive Board (CEO)**

Reappointment of Mr J.A.J. van Beurden as member of the Executive Board (CEO) of Kendrion N.V. (resolution)
- 8. Reappointment of Mrs J.T.M. van der Meijs as member of the Supervisory Board**

Reappointment of Mrs J.T.M. van der Meijs as member of the Supervisory Board of Kendrion N.V. (resolution)
- 9. Authorisation to issue shares and to restrict or exclude pre-emptive rights**
  - a. Authorisation to issue shares (resolution)
  - b. Authorisation to restrict or exclude pre-emptive rights (resolution)
- 10. Authorisation to acquire shares**

Authorisation to acquire shares (resolution)
- 11. Any other business**
- 12. Closing**

**To be held on**  
Monday, 8 April 2019  
14:30 hours  
Novotel Amsterdam City  
Europaboulevard 10  
1083 AD Amsterdam  
The Netherlands

**Record date**  
Monday, 11 March 2019

**Applications**  
No later than Tuesday,  
2 April 2019, 17:00 hours

# Explanatory notes to the agenda of the 2019 Annual General Meeting of Shareholders

All information regarding the Annual General Meeting of Shareholders of Kendrion N.V. (the 'Company') can be found on [www.kendrion.com](http://www.kendrion.com)

## **Note to agenda item 2.a – Report of the Executive Board on the developments in 2018 (discussion)**

The Executive Board will give an explanation of the operations and developments of Kendrion and its business units in 2018.

## **Note to agenda item 2.b – 2018 Remuneration Report (discussion)**

Pursuant to article 2:135 paragraph 5a of the Dutch Civil Code, the manner in which the Remuneration Policy for the Executive Board was implemented in 2018 will be discussed. The Supervisory Board's Remuneration Report for 2018 contains the relevant information. The 2018 Remuneration Report has been published on Kendrion's website [www.kendrion.com](http://www.kendrion.com).

## **Note to agenda item 3 – 2018 Financial Statements (resolution)**

It is proposed that the 2018 Financial Statements be adopted. The external auditor will give an account of the audit procedures performed.

## **Note to agenda item 4.a – Dividend policy (discussion)**

Kendrion endeavours to realise an attractive return for shareholders supported by a sustainable dividend policy. With a view to safeguarding a healthy financial position, consideration is also given to the amount of profit to be retained to support Kendrion's medium-term and long-term strategic plans and to maintain a minimum solvency ratio of 35%. Kendrion strives to distribute dividends representing between 35% and 50% of its net profit. In principle, Kendrion offers shareholders the opportunity to opt for dividends in cash or in the form of ordinary shares in Kendrion N.V.'s capital. In accordance with best practice provision 4.1.3 of the Dutch Corporate Governance Code, the dividend policy is dealt with as a separate agenda item. The dividend policy has been published on Kendrion's website and has been included in the 2018 Integrated Annual Report (page 18).

## **Note to agenda item 4.b – Dividend distribution (resolution)**

The Executive Board, with the approval of the Supervisory Board, proposes a dividend of EUR 0.87 per share, representing a payment of dividend of 52% of normalised net profit for 2018. The total dividend amount is EUR 11.7 million. It is proposed that payment of the dividend is made in cash, or at the option of shareholders, in the form of ordinary shares charged to the share premium reserve with any remaining fraction to be settled in cash.

The ex-dividend date is 10 April 2019 and the record date is 11 April 2019. The share dividend will be set on 30 April 2019 (before start of trading), on the basis of the volume-weighted average price of all Kendrion shares traded on 23, 24, 25, 26 and 29 April 2019, at a level whereby the value of the dividend in shares will be virtually equal to the cash dividend. The period for shareholders to elect share and/or cash dividend runs from 12 April 2019 up to and including 29 April 2019 until 15:00 hours. The cash dividend will be made payable and the share dividend will be delivered on 2 May 2019.

## **Note to agenda item 5 – Granting discharge to the members of the Executive Board (resolution)**

In accordance with best practice provision 4.1.3 of the Dutch Corporate Governance Code, the proposal to grant discharge to the members of the Executive Board is dealt with as a separate agenda item. The discharge relates to the management conducted in 2018 by the members of the Executive Board, including former member Mr Frank Sonnemans who stepped down as of 1 January 2019.

## **Note to agenda item 6 – Granting discharge to the members of the Supervisory Board (resolution)**

In accordance with best practice provision 4.1.3 of the Dutch Corporate Governance Code, the proposal to grant discharge to the members of the Supervisory Board is dealt with as a separate agenda item. The discharge relates to the supervision exercised by the members of the Supervisory Board in 2018.

## **Note to agenda item 7 – Reappointment of Mr J.A.J. van Beurden as member of the Executive Board (CEO) (resolution)**

Joep van Beurden was first appointed to the Executive Board on 4 November 2015 for a four-year term as of 1 December 2015. His term of office accordingly expires on 1 December 2019. In accordance with the articles of association, the Supervisory Board proposes to reappoint Joep van Beurden as member of the Executive Board. The proposed reappointment is for a four-year term ending on 1 December 2023. Upon the reappointment of Van Beurden as member of the Executive Board, the Supervisory Board will designate him again as Chief Executive Officer (CEO) of the Company.

The Supervisory Board proposes to reappoint Joep van Beurden because of his experience in and deep knowledge of the industrial and automotive industry, his international experience as an executive, combining leadership and entrepreneurship, as well as the professional and inspiring manner in which he fulfils his membership of the Executive Board.

Considering the outcome of the thorough performance evaluation that was conducted by the HR Committee at the instruction of the Supervisory Board, the Supervisory Board is convinced that Joep van Beurden continues to perform effectively and should be reappointed because he continues to demonstrate his extensive and relevant experience and commitment to his role.

Van Beurden (1960) has served as CEO of CSR Plc. head-quartered in Cambridge, the UK, from November 2007 until August 2015. He began his career at Royal Dutch Shell in 1988. He then worked as a consultant at McKinsey & Co. for five years and subsequently held various international management positions at Philips and Canesta Inc. He was CEO of NexWave Inc. from 2004 to 2007. Van Beurden holds a Master's degree in Applied Physics from Twente University of Technology. He is member of the Supervisory Board of Adyen and member of the Supervisory Board of Twente University. Van Beurden is a Dutch national.

The main elements of the engagement contract of Joep van Beurden with the Company are summarised in **Appendix 1** (Main elements of the engagement contract) and also published on the website of the Company [www.kendrion.com](http://www.kendrion.com).

#### **Note to agenda item 8 – Reappointment of Mrs J.T.M. van der Meijs (resolution)**

Jabine van der Meijs was first appointed to the Supervisory Board on 31 October 2016 for a three-year term ending in October 2019. In accordance with the articles of association, the Supervisory Board proposes to reappoint Jabine van der Meijs as member of the Supervisory Board. The proposed reappointment is for a four-year term ending on the day of the annual General Meeting of Shareholders to be held in 2023.

The Supervisory Board proposes to reappoint Jabine van der Meijs because of her in-depth financial and management experience in international business, her experience in financial reporting, compliance and risk management and the dedication and professionalism with which she fulfils her role as member of the Supervisory Board and Chair of the Audit Committee. Van der Meijs (1966) is CFO of Royal Schiphol Group. She is a non-executive member of the board of AdP (Aéroports de Paris) and non-executive director of Brisbane Airport. Van der Meijs has broad experience in international senior finance roles. From 2009 till October 2016, she was Vice-President Finance (Capital Projects) at Shell Global Solutions in Rijswijk, the Netherlands. She previously served as Finance Director at Shell Australia from 2007 to 2009 and as Financial Controller/Deputy Finance Director at Brunei Shell Companies from 2002 to 2007. Van der Meijs is a Dutch national. She does not hold any shares in Kendrion.

#### **Note to agenda item 9.a – Authorisation to issue shares (resolution)**

It is proposed to authorise the Executive Board for a period of 18 months from the date of this Annual General Meeting of Shareholders, i.e. until 8 October 2020, to issue shares or grant rights to acquire shares, subject to the approval of the

Supervisory Board. This authority relates to a maximum of 10% of Kendrion's issued share capital as at 8 April 2019, increased by the number of performance shares to be issued pursuant to share based incentive plans for employees and the Executive Board long-term incentive plan.

#### **Note to agenda item 9.b – Authorisation to restrict or exclude pre-emptive rights (resolution)**

It is proposed to authorise the Executive Board for a period of 18 months from the date of this Annual General Meeting of Shareholders, i.e. until 8 October 2020, to restrict or exclude, subject to the approval of the Supervisory Board, pre-emptive rights in relation to the issue of shares or the granting of rights to acquire shares.

The Executive Board shall exercise the authorisations as referred to under 9.a and 9.b solely in those instances in which this is of material importance to the continuity of Kendrion or which result in Kendrion's strategic enhancement. These authorisations allow Kendrion to respond promptly to developments. When these authorisations shall be approved, the current authorisations that expire on 9 October 2019 shall no longer be utilised.

#### **Note to agenda item 10 – Authorisation to acquire shares (resolution)**

It is proposed to authorise the Executive Board for a period of 18 months from the date of this Annual General Meeting of Shareholders, i.e. until 8 October 2020, to acquire shares in the Company, subject to the approval of the Supervisory Board and within the limits prescribed by Kendrion's articles of association and the applicable statutory provisions, up to a maximum of 10% of the issued share capital at the date of this Annual General Meeting of Shareholders, either by purchase on the stock exchange or otherwise, at a price that does not exceed 110% of the opening price quoted on Euronext's Amsterdam market on the day of the purchase of the shares or, in the absence of an opening price, the most recent price quoted on the stock exchange. When this authorisation shall be approved, the current authorisation that expires on 9 October 2019 shall no longer be utilised.

#### **Record date**

The persons who have the right to vote and the right to attend the meeting are those persons who are entitled to shares in Kendrion N.V. on Monday, 11 March 2019 as registered in the sub-registers formed by the intermediaries as defined in the Securities Giro Act or, for those persons holding registered shares, who are registered in the shareholders register of the Company on that date.

#### **Attendance of the meeting**

Holders of bearer shares who wish to attend the meeting may apply in writing by no later than 17:00 hours on Tuesday, 2 April 2019 via [www.abnamro.com/evoting](http://www.abnamro.com/evoting) or direct to the intermediaries at which their shares are administered. The intermediaries are to provide ABN AMRO Bank N.V. no later than 17:00 hours on Wednesday, 3 April 2019 via [www.abnamro.com/intermediary](http://www.abnamro.com/intermediary)

with an electronic statement that includes the number of shares held on the Record date by the shareholder concerned and which have been applied for registration. With the application intermediaries are requested to include the full address details of the relevant shareholders in order to be able to verify the shareholding on the Record date in an efficient manner.

Holders of registered shares who wish to attend the meeting may apply via [www.abnamro.com/evoting](http://www.abnamro.com/evoting) until Tuesday, 2 April 2019 (17:00 hours) at the latest.

### Proxies

Shareholders unable to attend the meeting in person can grant a proxy, either in writing or by electronic means, to a third party to vote on the shareholder's behalf at the meeting. Shareholders granting proxy will need to have registered their shares before the meeting. Shareholders can issue their voting instructions, by electronic means, on [www.abnamro.com/evoting](http://www.abnamro.com/evoting) by no later

than 17:00 hours on Tuesday, 2 April 2019. Model proxy forms for written voting instructions are available at Kendrion N.V.'s office and on its website ([www.kendrion.com](http://www.kendrion.com)) free of charge. Issued proxies must be in the possession of the proxy holder, with a copy (by post, fax or email) to the Secretary of Kendrion N.V. by no later than 17:00 hours on Tuesday, 2 April 2019. Voting instructions can also be issued electronically via [www.abnamro.com/evoting](http://www.abnamro.com/evoting) until Tuesday, 2 April 2019 (17:00 hours). In all circumstances, the intermediary will need to issue a statement via [www.abnamro.com/intermediary](http://www.abnamro.com/intermediary), no later than 17:00 hours (Amsterdam time) on Wednesday, 3 April 2019, stating that the shares were registered in the name of the holder thereof on the Record date whereupon the holder will receive a proof of registration which will also serve as an admission ticket for the meeting. In addition, the intermediaries are requested to include the full address details of the relevant ultimate beneficial holders in order to be able to verify the shareholding on the Record date in an efficient manner.

## Appendix 1

*(Main elements of the engagement contract)*

Main elements of the engagement contract	
<b>Term</b>	Four-year term ending on 1 December 2023
<b>Base salary</b>	The annual gross base salary amounts to EUR 550,000 and is not subject to indexation during the four-year term
<b>Short-term incentive</b>	<ul style="list-style-type: none"> <li>■ The short-term incentive for at-target performance will amount to 60% of the annual gross base salary, with a maximum of 90% of the annual gross base salary (i.e. the short-term incentive is maximised at 150% of the at-target amount)</li> <li>■ The short-term incentive financial and non-financial performance criteria are determined and measured in accordance with the applicable Remuneration Policy</li> </ul>
<b>Long-term incentive</b>	<ul style="list-style-type: none"> <li>■ The long-term share based incentive for at target performance will amount to 60% of the annual gross base salary, with a maximum of 90% of the annual gross base salary (i.e. the long-term share based incentive is maximised at 150% of the at-target amount)</li> <li>■ The long-term incentive performance criteria and related performance incentive zones are determined and measured in accordance with the applicable Remuneration Policy</li> </ul>
<b>Severance Payment</b>	Severance payment is maximised at one year's gross annual base salary in accordance with the applicable Remuneration Policy
<b>Pension</b>	Kendrion will bear costs of contributions for the retirement pension and risk premiums for partner pension and disability cover in accordance with the applicable Remuneration Policy
<b>Other components</b>	Fringe benefits such as, amongst others, mobile phone, expense allowance and travel allowance



Kendrion is proud to present its 2018 Annual Integrated Report. It highlights how Kendrion aims to create long-term value, financially and otherwise, for all its stakeholders. For more information visit [annualreport.kendrion.com](http://annualreport.kendrion.com) or scan the QR code.

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