



Minutes

Virtual Annual General Meeting of Shareholders JDE Peet's N.V. held on 17 June 2021

Minutes of the virtual Annual General Meeting of Shareholders (**AGM**) of JDE Peet's N.V., a public limited liability company, with corporate seat in Amsterdam and address at: Oosterdoksstraat 80, 1011 DK Amsterdam, the Netherlands, registered under Dutch Trade Register number 73160377 (**JDE Peet's** or the **Company**), held on 17 June 2021 at 2:00 pm CET at the Mövenpick Hotel Amsterdam City Centre, Piet Heinkade 11, 1019 BR Amsterdam, the Netherlands.

A video webcast of the AGM is available at [JDE Peet's' website](#).

Chairman: Mr. Olivier Goudet, Chairman of the board of directors of the Company (the **Board**)

Secretary: Mrs. Asta Aleskute, Deputy Company Secretary

1. Opening and announcements

The Chairman opens this first Annual General Meeting of Shareholders of JDE Peet's and welcomes all attendees on behalf of the Board. Unfortunately, the COVID-19 pandemic still restricts options to meet in person, which is why the Board decided that shareholders can only attend this meeting virtually. Therefore, there is only a limited number of JDE Peet's representatives physically present in Amsterdam from where this meeting is coordinated.

The Chairman then introduces the other members of the Board who are present virtually to address this meeting:

- Mr. Peter Harf, chair of Remuneration, Selection and Appointment Committee,
- Mr. Nelson Urdaneta, chair of Audit Committee,
- Mr. Luc Vandevelde, Lead Independent Director, and
- Mr. Joachim Creus, non-executive member of the Board.

The Chairman also introduces others present at the venue in Amsterdam, namely:

- Mr. Fabien Simon, CEO,
- Mr. Scott Gray, CFO,
- Mrs. Asta Aleskute, deputy company secretary who acts as the secretary of this meeting,
- Mr. Gerald Dekker, partner at Deloitte Accountants, external auditor of the Company, and
- Mrs. Joyce Leemrijse, civil law notary and partner with Allen & Overy, who acts as the vote collector for this meeting.

The Chairman notes that the other members of the Board attend the meeting virtually.

The meeting is held in English, however attendees can listen to the meeting in Dutch, by choosing the Dutch language option.

The Chairman establishes that the meeting was convened in accordance with the required formalities by placing the notice and the full agenda (including the explanatory notes thereto) on [JDE Peet's' corporate](#)



[website](#), and by making these available at JDE Peet's' offices on 5 May 2021 and therefore the meeting can validly resolve on all matters tabled on the agenda.

The number of issued ordinary shares in the capital of JDE Peet's amounts to five hundred and one million four hundred and forty-six thousand five hundred and forty-nine (501,446,549). This is equal to the number of votes that can be cast.

The Chairman states that he will inform when the exact number of shares present or represented at this meeting is known.

The civil law notary has received proxies with voting instructions for a total of four hundred and eighty-three million nine hundred and sixty-two thousand nine hundred and five (483,962,905) ordinary shares.

The Chairman highlights that it is possible to vote electronically during this meeting and declares the voting open on all agenda items. The voting will close after agenda item 6 and the voting results will be disclosed after agenda item 7.

The Chairman subsequently declares that prior to the meeting, written questions from the VEB related to agenda items 2 and 6 were received. The [Shareholders Q&A](#) has been posted on JDE Peet's website before the AGM. The Chairman subsequently explains that shareholders who have submitted one or more questions before this meeting, have an option to ask follow-up questions in person during the meeting.

2. Annual Report and Financial Statements 2020

The Chairman explains that agenda items 2a through 2c will be combined and invites Mr. Simon to present the Report of the Board for the financial year 2020.

a. Report of the Board for the financial year 2020

Mr. Simon welcomes those virtually attending JDE Peet's inaugural AGM and presents the key performance highlights of 2020, strategy and outlook for 2021 as well as the medium-term. He highlights that 2020, first year of being listed, was an eventful year for JDE Peet's and an unprecedented year for the world, in which the Company was able to demonstrate the resilience of the coffee & tea category and deliver strong financial performance and make further steps on sustainability agenda. He expresses gratitude to the teams and partners of JDE Peet's for their efforts to ensure business continuity and the health and safety of employees of JDE Peet's. Reference is made to the slides of the [AGM Presentation](#) available on JDE Peet's website.

The Chairman thanks Mr. Simon for his presentation. Mrs. Aleskute informs the meeting that, according to the registration list, the holders of 484,462,907 ordinary shares are present or represented at the meeting, being 96.61% of the issued share capital of JDE Peet's. The Chairman then invites Mr. Creus to present the remuneration report.

b. Report of the Advisory vote on the 2020 remuneration report (voting item)

Mr. Creus thanks the Chairman and explains that the 2020 remuneration report is the first remuneration report of JDE Peet's as a listed company and that it contains most important remuneration decisions, for both the executive and non-executive members of the Board, made by the Board in 2020, following the recommendations from our Remuneration, Selection and Appointment Committee.

The remuneration of the executive members of the Board primarily consists of three elements: an annual base fee, a short-term incentive and a long-term incentive, for more details the reference is made to the slides of the [AGM Presentation](#) available on JDE Peet's website. In 2020, JDE Peet's had two executive members of the Board, being the current and former CEO. In accordance with JDE Peet's' remuneration



policy, the current CEO was entitled to a one-off award of EUR 10 million net, as compensation for the forfeited remuneration from his previous employer. This amount was paid out in 2020 and invested by the current CEO in JDE Peet's' Executive Ownership Plan. In addition, a payment was made in relation to the departure of the former CEO which reflects the settlement of the 2020 short-term incentive and compensation for not receiving the 2020 Long-Term Incentive grant. Such payment is furthermore in line with contractual obligations and takes into account the former CEO's contribution to the successful IPO of JDE Peet's as well as the fact that his departure was related with mobility, health and safety implications related to the pandemic.

The remuneration of our non-executive members of the Board consists primarily of an annual retainer for Board Membership, committee fees and the long-term incentive. For more details, the reference is made to the slides of the [AGM Presentation](#) available on JDE Peet's website. The non-executive members of the Board received a long-term incentive grant that equals 100% to 150% of the individual's annual retainer for Board Membership. All elements granted were pro-rated as per the date of the IPO and therefore reflect compensation as per 1 June 2020.

c. Proposal to adopt the 2020 financial statements (voting item)

The [Chairman](#) invites Mr Dekker to provide a brief overview of the auditor report and the audit work performed by Deloitte. The Board released Deloitte from the obligation to observe confidentiality to allow Deloitte to share the information concerning the auditor's report.

Mr. [Dekker](#) starts his presentation with some general comments that throughout the audit cycle 2020, Deloitte has been in frequent touch with the Audit Committee and had ample opportunity to discuss with the Board and the Audit Committee the audit plan, its scope and findings.

He then explains the *audit scope*, which included 9 jurisdictions where JDE Peet's is active for which Deloitte conducted full audits and a number of additional Company's jurisdictions for which a limited audit procedure, or procedures on specific account balances, were done, and which resulted in an audit coverage above 70%. In addition, Deloitte also evaluated the relevant Company's internal controls (including IT controls).

Mr. [Dekker](#) continues with addressing two specific matters that Deloitte considered in its *risk assessment* as key audit matters. One of the key audit matters was the goodwill impairment analysis of the Out-of-Home segment, and specifically the impact of COVID-19 on this segment. In line with previous years, the Company prepared the impairment test as of 30 September 2020 and concluded that there was no impairment of goodwill. Deloitte agreed with this position, however included the observations as part of its Long Form Audit Report that recoverability of that goodwill is critically dependent on specifically the pace of recovery of the relevant markets post COVID and the success rate of the existing and new initiatives undertaken by management. The second key audit matter was that the JDE Peet's group had been newly formed and shortly thereafter underwent a listing that required more attention from Deloitte, including auditor's evaluation of Peet's migration to a new IT system, internal controls, Peet's financial reporting cycle, compliance with the best practices of the Dutch Corporate Governance Code, non-financial reporting such as sustainability, the use of non-IFRS measures and segment reporting.

The [Chairman](#) thanks Mr. Dekker. Ms. [Aleskute](#) confirms that Mr. Jansen representing VEB has a follow-up question.

Mr. [Jansen](#) submits a couple of follow-up questions: *The first one relates to your remark on our letter that the internal controls of Peet's are less formally designed and documented in comparison to JDE. Could you give some practical examples of what you mean with less formally designed? And could you also state how this issue is being addressed and maybe provide an update on the status of implementation as well as the time schedule?*



The Chairman invites Mr. Gray to answer this follow-up question. Mr. Gray answers that it is important to bring Peet's up to the same maturity level as JDE. Examples of Peet's internal controls being less formally designed include limited policies and less formal documentation of reviews. Throughout the course of the year, a number of internal control processes have been implemented at Peet's to bring them up to the JDE level, including the implementation of an ERP system that helps enormously in terms of consolidation.

Mr. Jansen submits his second follow-up question as follows: *We really appreciate the disclosure you give in the Annual Report on the EBIT bridge. But one item, transformation activities and corporate action, was of course relatively large last year. If I am right, in the Annual Report it is stated that some of these items in this transformation activities and corporate action are more structural in nature. So maybe you could give some colour on this and maybe some normalized figure we could work with, so what this level will be of this type of exceptional in a normal year.*

The Chairman comments that this is not a follow-up question, but that nevertheless the Company wants to answer it, ideally outside of the meeting through the Investor Relations department, and invites Mr. Gray for a high-level comment now. Mr. Gray comments that the transformational line item in terms of the adjustments was larger during 2020 for a couple of notable reasons, first of all, there were costs related to the Company's IPO which are one off, and there were also the ERP implementations in some of the markets.

Mr. Jansen raises another follow-up question: *you intend to improve gender diversity as well as the independence of the Board over time, in particular as the company's free float increases. My question is: why would you make the improvement of Board independence dependent on the free float? Is it not something that could be started earlier?*

The Chairman answers that already from day one after the IPO, the Company implemented a strong balance when it comes to director independence. Six members of the Board are independent which is very close to the majority. He then adds that it is not very unusual for companies which have been recently listed and have a controlling shareholder, to have this level of independence. The number of independent members of the Board is expected to improve over time. On diversity, the Chairman notes that the Company has a 23% female representation on the Board, and over time, would like to achieve one third. So once again, the Company is not far away and it is not unusual when you go public, in one year, that you still have some adjustments to make over time.

Mr. Jansen submits a final follow-up question relating to the Remuneration Report: *We would appreciate a little more disclosure, especially on the short-term incentive and specifically on the individual targets. The threshold levels, the maximum and the actual performances realized. I appreciate your argument that this is commercially sensitive information, however if you look at some of your peers, they give more disclosure and as a lot of these targets are fairly high-level information, I think certainly ex post you could share this information with your shareholders. So this is a suggestion, in our opinion there is some room for improvement in this area. I hope you take this the right way, but I think this disclosure can further improve.*

The Chairman takes note of this suggestion and responds that the Company intends to compare with other peers in the industry and see what improvements can be made in next year's Company's remuneration report in this area subject to the reservation of this disclosure not revealing commercially sensitive information.

3. Dividend

- a. Explanation of the policy on additions to reserves and dividend**
- b. Proposal to adopt the dividend proposal for 2020 (voting item)**

The Chairman combines agenda items 3a and 3b. He then states that the JDE Peet's' dividend policy aims to preserve the independence of the Company, to maintain a healthy financial structure and to retain



sufficient earnings in order to grow the business both organically and through acquisitions, as Mr. Simon also mentioned in his presentation.

Subject to the aforementioned objectives, the Chairman explains that JDE Peet's intends to provide a stable and increasing dividend per share over time, while the pace will be determined by the Company's capital allocation priorities.

The Chairman further states that for financial year 2020, the Board proposes to pay a dividend of EUR 0.70 per share in cash. The dividend will be paid in two instalments of EUR 0.35 each. The first payment will be made on Friday 16 July 2021 and the second payment will be made on Friday 28 January 2022.

4. Discharge of the members of the Board

- a. Proposal to discharge the executive members of the Board in respect of their duties during 2020 (voting item)**
- b. Proposal to discharge the non-executive members of the Board in respect of their duties during 2020 (voting item)**

The Chairman continues with agenda items 4a and 4b: the proposal to discharge the members of the Board in respect of their duties during the financial year 2020 insofar as the information is made available to the General Meeting prior to the adoption of the 2020 Financial Statements. He notes that agenda item 4a relates to the executive members and 4b to the non-executive members of the Board and reminds that the voting is open for all voting items on the agenda.

5. Proposal to re-appoint Deloitte Accountants B.V. as external auditor of JDE Peet's for the financial years 2021 and 2022

The Chairman notes that Deloitte was appointed as our external auditor on the 25th of May 2020 for the financial year 2020 and that the non-executive members of the Board have assessed the relationship with Deloitte on the basis of the recommendation of the Audit Committee.

The Chairman further notes that Deloitte is capable of forming an independent judgement concerning all matters that fall within the scope of their auditing task and have a thorough understanding of the Company's risks and opportunities and strong accounting expertise. There is a good balance between effectiveness and efficiency of Deloitte's actions, for example in relation to audit costs, risk management and reliability.

Based on this assessment, it is proposed to re-appoint Deloitte as external auditor of JDE Peet's for the financial years 2021 and 2022.

6. Authorizations of the Board

The Chairman explains that agenda items 6a through 6c relate to the share capital of JDE Peet's and deal with the authority to either acquire or issue ordinary shares and to restrict or exclude pre-emptive rights. The proposed authorities will allow the Board to be flexible and to react quickly, if and when appropriate, to circumstances that require the purchase or issuance of shares.

The Chairman also notes that if the VEB would like to ask a follow-up question in relation to agenda item 6, VEB can do so after all items under agenda item 6 have been dealt with.

- a. Proposal to authorize the Board to acquire up to 10% ordinary shares in JDE Peet's (voting item)**



The Chairman notes that agenda item 6a refers to the authorization of the Board, for a term of 18 months, to have the Company acquire its own fully paid-up ordinary shares, up to a maximum of 10% of the issued share capital as of today.

b. Proposal to designate the Board to issue up to 10% ordinary shares and to restrict or exclude pre-emptive rights (voting item)

The Chairman states that under agenda item 6b, it is proposed to designate the Board, for a term of 18 months, to issue ordinary shares, or to grant rights to subscribe for ordinary shares, and to restrict or exclude pre-emptive rights of existing shareholders, for a maximum of 10% of the issued share capital as of today.

c. Proposal to designate the Board to issue up to 40% ordinary shares in connection with a rights issue (voting item)

The Chairman explains that agenda item 6c concerns the proposal to designate the Board to issue ordinary shares in connection with a rights issue only; such authorization is proposed to be for a term of 18 months; and is limited to up to 40% of the issued share capital as of today, with the exclusion of statutory pre-emptive rights of existing shareholders, but affording eligible existing shareholders contractual pre-emptive rights to subscribe for the new shares in proportion to their shareholding and in line with market practice.

The Chairman also notes that the precise text of the resolutions for agenda items 6a through 6c, together with some additional background information, can be found in the [explanatory notes to the agenda](#).

Mrs. Aleskute confirms that there were no follow-up questions received on this agenda item.

The Chairman subsequently declares the voting closed.

7. Any Other Business

The Chairman concludes that all voting items on the agenda have been dealt with and that there were no follow-up questions received on agenda item 7.

8. Voting Results

The Chairman invites Mrs. Leemrijse, the civil law notary and vote collector for this meeting, to inform the meeting about the voting results.

Mrs. Leemrijse states that:

- a. 91.06% voted in favour of item 2b, the advisory vote on the 2020 Remuneration Report.
- b. 99.90% voted in favour of item 2c, the proposal to adopt the 2020 Financial Statements and therefore the 2020 Financial Statements have been adopted.
- c. 99.98% voted in favour of item 3b, the proposal to adopt the dividend proposal for 2020 and therefore the dividend proposal for 2020 has been adopted.
- d. 99.97% voted in favour of item 4a, the proposal to discharge the executive members of the Board in respect of their duties during the financial year 2020 and therefore this proposal has been adopted.
- e. 98.78% voted in favour of item 4b, the proposal to discharge the non-executive members of the Board in respect of their duties during 2020 and therefore this proposal has been adopted.
- f. 99.99% voted in favour of item 5, the proposal to re-appoint Deloitte Accountants B.V. as external auditor of JDE Peet's for financial years 2021 and 2022 and therefore this proposal has been adopted.
- g. 99.94% voted in favour of item 6a, the proposal to authorize the Board to acquire up to 10% ordinary shares in JDE Peet's and therefore this proposal has been adopted.



- h. 99.79% voted in favour of item 6b, the proposal to designate the Board to issue up to 10% ordinary shares and to restrict or exclude pre-emptive rights and therefore this proposal has been adopted.
- i. 99.00% voted in favour of item 6c, the proposal to designate the Board to issue up to 40% ordinary shares in connection with a rights issue and to restrict or exclude the pre-emptive rights and therefore this proposal has also been adopted.

The Chairman establishes that all resolutions tabled for this meeting have been adopted.

9. Closing of the meeting

The Chairman declares the meeting closed. He thanks all shareholders for their participation and wishes them to stay safe and healthy and closes the meeting at 3:11pm CET.

These minutes of JDE Peet's' 2021 AGM were adopted on 9 December 2021.

Signed by **Olivier Goudet**

Chairman of the Board

Signed by **Asta Aleskute**

Deputy Company Secretary