



Minutes

Virtual Annual General Meeting of Shareholders JDE Peet's N.V. held on 11 May 2022

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 11 May 2022 at 2:00 pm CET at the Double Tree by Hilton Hotel Amsterdam City Centre, Oosterdoksstraat 4, 1011 DK 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: Mr Khaled Rabbani, Chief Legal & Corporate Affairs Officer

1. Opening and announcements

The Chairman opens the Annual General Meeting of Shareholders of JDE Peet's and welcomes all attendees on behalf of the Board.

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

At the time the Board had to take a decision on the format of the AGM, there was still significant uncertainty surrounding the ability to meet in person in light of the pandemic, and the related case rates were still very high. These considerations made the Board decide, after diligent consideration, to conduct this year's AGM as a virtual meeting without physical attendance. This is also why there are only a limited number of JDE Peet's representatives physically present in Amsterdam.

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

- Mr. Luc Vandeveldel, Lead Independent Director,
- Mrs. Aileen Richards, chair of the Remuneration, Selection and Appointment Committee,
- Mr. Joachim Creus, non-executive member of the Board, and
- Mr. Frank Engelen, non-executive member of the Board.

The Chairman also introduces Executive Committee members and others present at the venue in Amsterdam, namely:

- Mr. Fabien Simon, CEO,
- Mr. Scott Gray, CFO,
- Mr. Khaled Rabbani, Chief Legal & Corporate Affairs Officer, who acts as the secretary of this meeting,
- Mr. Marco van der Vegte, 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.

Before moving on, the Chairman takes the opportunity to say farewell to three Board members.

Mr. Nelson Urdaneta stepped down as Chairman of the Audit Committee and member of the Board as per 1 April, 2022. On behalf of the Board, the Board thanks Mr. Nelson Urdaneta for his leadership and guidance which has been instrumental to JDE Peet's' success.

In addition, Ms. Genevieve Hovde and Mr. Alejandro Santo Domingo will also step down as members of the Board at the end of this meeting. On behalf of the entire Board, the Chairman wishes to express his gratitude and appreciation to Genevieve and Alejandro for their valuable contributions to the Company over the many years that they have been actively involved in the continued growth and success of the Company.

Following these departures, the Chairman is pleased to confirm three director nominees: Ms. Ana García Fau, Ms. Paula Lindenberg and Ms. Laura Stein, all of whom joined the virtual meeting as well and will be introduced when agenda item 5 is addressed.

The Chairman notes that during today's meeting, we will look back at 2021, a year during which the world again had to deal with a particularly challenging environment, impacted by government restrictions, unprecedented disruptions in global supply chains and the onset of historically high inflation. The Chairman states that he is very proud of the way that the leadership team at JDE Peet's, together with all its employees and the wider ecosystem, have successfully navigated through these challenging circumstances. The Chairman further notes that Fabien Simon will reflect on JDE Peet's' financial and strategic highlights of last year and that he is particularly enthusiastic about the Company's increased sustainability ambitions that really put the sustainability strategy at the heart of the Company and its operations.

The Chairman then 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 24 March 2022 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 two million seven hundred forty-five thousand eight hundred fifty-seven (502,745,857). This is equal to the number of votes that can be cast.

The Chairman states that the shareholders will be informed when the exact number of shares present or represented at the meeting is known.

In advance of the meeting, the civil law notary has received proxies with voting instructions for a total of four hundred seventy-nine million nine thousand two hundred and fifteen (479,009,215) 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 7 and the voting results will be disclosed after agenda item 8.

The Chairman subsequently declares that prior to the meeting, written questions from the VEB related to agenda items 2 and 5 were received. The [Shareholders Q&A](#) has been posted on JDE Peet's website before the AGM.

2. Annual Report and Financial Statements 2021



The Chairman explains that agenda items 2a through 2c will be combined and invites Fabien Simon to present the Report of the Board for the financial year 2021, followed by a presentation by Aileen Richards who will present the remuneration report.

a. Report of the Board for the financial year 2021

Fabien Simon thanks the Chairman and welcomes those virtually attending JDE Peet's AGM and presents the key performance highlights of 2021, strategy as well as the medium-term outlook for 2022. Before doing so, Fabien Simon elaborates on the Russia/Ukraine situation and what the company has been doing to support JDE Peet's employees from Ukraine and their families and the actions and position it has taken in Russia for its organisation and to provide critical sustenance to people, especially in times of need, while ensuring to strictly comply with all applicable EU and other sanctions. As regards to the presentation, reference is made to the slides of the AGM Presentation available on JDE Peet's' website.

The Chairman thanks Fabien Simon for his presentation.

Khaled Rabbani informs the meeting that, according to the registration list, the holders of 479,009,729 ordinary shares are present or represented at the meeting, being 95.28% of the issued share capital of JDE Peet's. The Chairman then invites Aileen Richards to present the remuneration report.

b. Report of the Advisory vote on the 2021 remuneration report (voting item)

Aileen Richards thanks the Chairman and explains that the 2021 remuneration report contains the most important remuneration decisions, for both the executive and non-executive members of the Board, made by the Board in 2021 as disclosed in the 2021 Annual Report, following the recommendations from the Remuneration, Selection and Appointment Committee. The Remuneration Policy provides a structure that aligns directors' compensation with the successful delivery of JDE Peet's' long-term strategy and shareholder value creation.

Aileen Richards states that 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. To better balance the long-term versus short-term focus, the Board decided upon the recommendation of the Remuneration, Selection and Appointment Committee, to reduce the maximum multiplier for short-term incentive for the executive director from 2.5 to 2.0 and to adjust the vesting period for the long-term incentive to three years.

When it comes to the remuneration of non-executive members of the Board, Aileen Richards states that it primarily consists of an annual retainer for Board Membership, committee fees and the long-term incentive.

For more details, reference is made to the slides of the AGM Presentation available on JDE Peet's' website.

c. Proposal to adopt the 2021 financial statements (voting item)

The Chairman invites Mr. Marco van der Vegte, partner at Deloitte Accountants, 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. Marco van der Vegte highlights their 2021 audit, including how the continuing impact of COVID-19 impacted their planning, risk assessment and procedures performed. He then explains that the ongoing effects of COVID-19 continued to impact JDE Peet's' business and its operating results during 2021 and therefore also the audit. The materiality and risk assessment, group oversight procedures and procedures related to impairment testing as a result were tailored to this situation.



A materiality of EUR 52 million was applied which is similar to last year. The materiality for this year and last year was based on a singular benchmark of 5.3% of the 2021 profit before tax.

The risk related to goodwill associated with the out-of-home segment was considered a key audit matter and reported in more detail in the auditors' report. Throughout their audit, Deloitte evaluated, with help from their forensic specialists and with their teams if COVID-19 would give rise to incremental fraud risk. They have not identified any elevated risks of fraud.

In terms of procedures carried out by Deloitte, Mr. Marco van der Vegte continues that in identifying potential risks of material misstatement due to fraud and non-compliance with laws and regulations, the Company's risk assessment was evaluated, and that Deloitte had customary inquiries with management. In addition, a forensic specialist was involved to evaluate the design and implementation of the system of internal control, and in particular the fraud risk assessment, including the code of conduct, whistle blower procedures and incident registration.

Deloitte also considered fraud risks related to management override of controls, including evaluating whether there was evidence of bias by the management.

With respect to the element of bias, Deloitte evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements, represented a risk of fraudulent material misstatement. Deloitte therefore tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

Deloitte also inspected lawyers' letters and remained alert to any indications of (suspected) non-compliance throughout the audit, held inquiries with group legal counsel and internal audit and obtained a written representation that all known instances of (suspected) non-compliance with laws and regulations were disclosed to the auditor.

Lastly, Deloitte also performed procedures on the management board's report and noted it is consistent with the consolidated financial statements and contains the information required by Part 9 Book 2 of the Dutch Civil Code. Such procedures were performed in accordance with Dutch law and the Dutch Standard 720.

The Chairman thanks Mr. Marco van der Vegte.

Khaled Rabbani informs the Chairman that Mr. Hugo Roelink, representing the VEB, has a follow-up question.

Mr. Hugo Roelink mentions the VEB has a couple of follow-up questions: *The first question is related to the share repurchases. Earlier this week JDE Peet's has repurchased half a billion worth of shares from Mondelēz. Can JDE Peet's indicate under which financial conditions additional buy-back programs will be considered and if these programs will also be open for other shareholders?*

The Chairman invites Fabien Simon to answer this question first. Fabien Simon states that when an opportunity like this arises, there is a choice. Either you procrastinate and you wait and you wonder, or you decide to seize the opportunity before it disappears. Mr. Simon is very grateful of the diligence and support of the Board that decided to capture the opportunity with all the economics that we have been talking about earlier.

Scott Gray adds that looking at the share price relative to the intrinsic value of the Company, it was a great opportunity and also an accretive transaction for all shareholders. In terms of any additional buy-back, we look at it in the context of all our capital allocation priorities, one of which includes share buy-back but is not the top priority. We have to look at the context of the market and where we are in terms of our leverage cycle and the other opportunities that we have ahead of it in terms of priority such as M&A.



Fabien Simon further adds that there are multiple other benefits such as the transaction being accretive to EPS and reducing the overhang. So, the choice of a share buy-back from Mondelēz was really an intentional decision.

Mr. Hugo Roelink's second follow-up question: *We also wonder, why the last trading price was chosen on Friday 6 May and for instance not a value-weighted average of a number of days before? We were wondering how you came to this price.*

Fabien Simon responds that it is very important to make a decision when you see an opportunity. It is really the assessment that the Company has been making with the Board in a very diligent way. All the dimensions of this transaction were seen accretive, so the company did not want to lose the opportunity.

Scott Gray continues that it is of course always important when you assess all opportunities like that, you do that in the context and at that time. The share price at that time was lower than the average of the last thirty days as well, so a bit of a discount relative to the last thirty days of trading.

Mr. Hugo Roelink raises another follow-up question: *I have another question related to the inventory levels of JDE Peet's. There was some rise and we have noted that part of this is due to a larger inventory. We were wondering which part is due to a rising inventory and which part is due to rising cost levels of the input.*

Scott Gray answers that overall, when we look at 2021, our inventory levels were higher, which I think you are noting. And that is because of both components that you mentioned. Part of it is because of higher prices due to inflation and another part is because of higher physical inventory levels of coffee and finished goods because of the supply chain disruption which makes sense as it is very prudent to have a little bit higher inventory, both in stocks as well as raw materials.

Mr. Hugo Roelink asks: *Would you consider this a structural effect or of a temporary nature?*

Scott Gray answers that this is not short-term. He believes that it is a debate on how long it is structural before the inflation comes back down. But he does expect that to persist for some time. In terms of the level of inventory that we should be holding from a supply security standpoint, right now for the short-term/medium-term he does expect to hold higher levels of stock so that the Company can make sure to supply its customers with products during these periods of disruption.

Mr. Hugo Roelink's submits another follow-up question: *On the face of it, large consumer staples like yourself have been able to increase prices enough to largely pass on these rising input costs. With the large price increases of the past months and also especially last year, would you regard this sustainable without large volume declines?*

Fabien Simon comments that the company took the lead ahead of the industry when it comes to price increases. Fabien Simon believes that protecting absolute gross profit is the only way to drive quality growth in the long-term and to continue to invest in innovation. Furthermore, the Company already had the point of view last year that inflation would be high, broad-based and would sustain. Therefore, we are ahead of the curve today and continue this journey in 2022. Even at the level of inflation we are in today, and due to our category, we do not see any meaningful changes in consumer trends.

Mr. Hugo Roelink's next follow-up question: *I would like to ask about the remuneration report. We appreciate the gesture to lower the short-term incentive somewhat, to have a better balance between the short-term and the long-term. However, we still regard this disclosure as a bit subpar. We would really appreciate some more information, especially given the complex nature of your remuneration package. We appreciate the commercial sensitivity, but given that these targets are really high-level of nature and given the retrospective approach, would you at least improve the disclosure again next year?*

Aileen Richards is pleased that the Company has made progress since last year, both in detail and transparency. On the short-term incentive, the Company has outlined the three measures: net sales, EBIT and operating working capital. And the Company has also given the range of each separately, which we did not do last year. So we feel that we have made progress since last year in terms of the transparency. However, we hear what you are saying, we are reflecting and thinking about it and have some thoughts about how we could continue this journey.

Mr. Hugo Roelink raised another question: *I would like to ask the auditor one question about the goodwill of the Out-of-Home business. Deloitte identified one key audit matter, being the goodwill impairment analysis of the Out-of-Home segment. In its observation, Deloitte merely states that it has 'communicated the outcome of our procedure to those charged with governance'. We find this an uncommon phrase with little information for the users of the annual accounts, because auditors normally shed more colour on the outcome of their audit procedures, for example whether it considers the assumptions and judgement made by management regarding goodwill reasonable. We assume Deloitte chose their words carefully and deliberately. Could Deloitte shed some light on why they used or did not use such words in the explanation of the key audit matters?*

The Chairman points out that this is not a follow-up question. To be constructive, Mr. Marco van der Vegte is asked to comment and briefly answer the question, but stresses the importance of following meeting protocols.

Mr. Marco van der Vegte responds that what you see in the key audit matter is that Deloitte disclosed why they believe the goodwill at the Out-of-Home segment is at risk. The procedures Deloitte performed in detail on assessing that risk and ensuring there is no impairment on the goodwill of Out-of-Home segment of EUR 2.1 billion. It is Deloitte's responsibility to report our findings to those charged with governance. But on top of that, if Deloitte would have had any observations that would have impacted the assessment, obviously that would have had an impact on the valuation itself. So, we do not have any observations in that respect. Obviously, we do have observations on processes or on areas where Deloitte looked at the sensitivity, for example, or at different scenarios, where Deloitte concurs or has other observations. To summarise: if Deloitte would have had any observations, Deloitte would have reflected on those in its audit report and there are none that are relevant there.

No additional follow-up questions were raised by Mr. Hugo Roelink.

3. Dividend distribution

- a. Explanation of the policy on additions to reserves and dividend**
- b. Proposal to adopt the dividend proposal for 2021 (voting item)**

The Chairman combines agenda items 3a and 3b. The dividend policy of JDE Peet's intends to preserve the independence of the Company and maintain a healthy financial structure. Dividend distributions will be made in a prudent and disciplined manner, especially in this environment, ensuring that the Company retains sufficient earnings to fulfil its first three capital allocation priorities, which are key to the sustainable development of the business.

For financial year 2021, the Board proposes to pay a dividend of 70 eurocents (EUR 0.70) per share in cash. The dividend will be paid in two instalments of 35 eurocents (EUR 0.35) each. The first payment will be made on Friday 15 July 2022 and the second payment will be made on Friday 27 January 2023.

4. Discharge of the members of the Board

- a. Proposal to discharge the executive members of the Board in respect of their duties during 2021 (voting item)**



b. Proposal to discharge the non-executive members of the Board in respect of their duties during 2021 (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 financial year 2021, insofar as the information is made available to the General Meeting prior to the adoption of the 2021 financial statements.

Agenda item 4a relates to the executive member of the Board and 4b to the non-executive members of the Board.

5. Composition of the Board

a. Proposal to appoint Ms. Ana García Fau as non-executive member of the Board (voting item)

b. Proposal to appoint Ms. Paula Lindenberg as non-executive member of the Board (voting item)

c. Proposal to appoint Ms. Laura Stein as non-executive member of the Board (voting item)

The Chairman is pleased to present three new director nominees who will further strengthen the diversity of the Board which was one of our long-term objectives. The three nominees bring extensive experience as directors in both the public and private sector and have broad experience in the markets in which JDE Peet's operates. And, importantly, all three have a clear affinity with the nature and culture of the business of JDE Peet's.

Ms. Ana García Fau is a Spanish national and is currently a non-executive director at several public and private companies. She is considered independent within the meaning of the Dutch Corporate Governance Code and is proposed to be appointed for a period of four years.

Ms. Paula Lindenberg is a Brazilian national and has been a managing director of Diageo for Brazil, Paraguay and Uruguay since January 2022. She is considered independent within the meaning of the Dutch Corporate Governance Code and is proposed to be appointed for a period of four years.

Ms. Laura Stein is a U.S. citizen and executive vice president, Corporate & Legal Affairs and General Counsel for Mondelēz International. She is not considered independent within the meaning of the Dutch Corporate Governance Code and is proposed to be appointed for a period of four years.

Ms. Ana García Fau, Ms. Paula Lindenberg and Ms. Laura Stein briefly introduce themselves.

Khaled Rabbani confirms that there were no follow-up questions received on this agenda item.

6. Proposal to re-appoint Deloitte Accountants B.V. as external auditor of JDE Peet's for the financial year 2023

The Chairman notes that Deloitte was appointed as our external auditor on the 17th of June 2021 for the financial years 2021 and 2022. The non-executive directors 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. Deloitte has a thorough understanding of the risks and opportunities of our Company and strong accounting expertise. There is a good balance between effectiveness and efficiency of Deloitte's actions, for example in relation to auditing costs, risk management and reliability. Based on this assessment, it is proposed to re-appoint Deloitte as the external auditor of JDE Peet's for the financial year 2023.

7. Authorisations of the Board



The Chairman explains that agenda items 7a through 7c 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.

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

The Chairman notes that agenda item 7a refers to the authorisation 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 current issued share capital.

b. Proposal to authorise 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 7b, it is proposed to authorise 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 current issued share capital.

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

The Chairman explains that agenda item 7c concerns the proposal to designate the Board to issue ordinary shares in connection with a rights issue only; such authorisation is proposed to be for a term of 18 months; and is limited to up to 40% of the current issued share capital, 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 subsequently declares the voting closed as there are no more questions.

8. Any Other Business

The Chairman concludes that all voting items on the agenda have been dealt with and that there were no questions received on agenda item 8.

9. Voting Results

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

Mrs. Joyce Leemrijse states that:

- a. 91.88% voted in favour of item 2b, the advisory vote on the 2021 Remuneration Report.
- b. 100% voted in favour of item 2c, the proposal to adopt the 2021 Financial Statements, and therefore the 2021 Financial Statements have been adopted.
- c. 99.99% voted in favour of item 3b, the proposal to adopt the dividend proposal for 2021, and therefore the dividend proposal for 2021 has been adopted.
- d. 99.85% voted in favour of item 4a, the proposal to discharge the executive member of the Board in respect of his duties during the financial year 2021, and therefore this proposal has been adopted.
- e. 98.68% voted in favour of item 4b, the proposal to discharge the non-executive members of the Board in respect of their duties during 2021, and therefore this proposal has been adopted.
- f. 99.47% voted in favour of item 5a, the proposal to appoint Ms. Ana García Fau as a non-executive member of the Board, and therefore this proposal has been adopted.



- g. 99,99% voted in favour of item 5b, the proposal to appoint Ms. Paula Lindenberg as a non-executive member of the Board, and therefore this proposal has been adopted.
- h. 98,71% voted in favour of item 5c, the proposal to appoint Ms. Laura Stein as a non-executive member of the Board, and therefore this proposal has been adopted.
- i. 99,93% voted in favour of item 6, the proposal to re-appoint Deloitte Accountants B.V. as external auditor of JDE Peet's for financial year 2023 and, therefore this proposal has been adopted.
- j. 99,97% voted in favour of item 7a, the proposal to authorise the Board to acquire ordinary shares in JDE Peet's, and therefore this proposal has been adopted.
- k. 99,69% voted in favour of item 7b, the proposal to authorise the Board to issue up to 10% ordinary shares and to restrict or exclude pre-emptive rights, and therefore this proposal has been adopted.
- l. 98,85% voted in favour of item 7c, the proposal to authorise the Board to issue up to 40% ordinary shares in connection with a rights issue and to restrict or exclude the statutory pre-emptive rights, and therefore this proposal has been adopted.

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

10. Closing of the meeting

The Chairman declares the meeting closed. He thanks all shareholders for their participation and for their continued support of JDE Peet's. The Chairman wishes for all shareholders to stay safe and healthy and closes the meeting.

These minutes of JDE Peet's' 2022 AGM were adopted on 9 November 2022.

Signed by **Olivier Goudet**

Chairman of the Board

Signed by **Khaled Rabbani**

Company Secretary