

B&S

Answers from the Executive Board to questions received from some investors in relation to December 15, 2022 EGM



Agenda item 2: Removal of Mr. Jan Arie van Barneveld from his position as Member of the Supervisory Board with effect from the date of the relevant resolution (voting item)

Background GM agenda request (Achtergrond agendavoorstel)

Question 1

De toelichting op de agenda maakt geen melding van het standpunt van de Raad van Bestuur ('RvB') van B&S over het agendavoorstel van Sarabel Invest S.à r.l. ('Sarabel'). Kan de RvB zijn standpunt en de in dat kader gemaakte afwegingen toelichten?

Unofficial English translation: The explanatory notes to the agenda make no mention of the position of the Executive Board (EB) of B&S on the agenda proposal of Sarabel Invest S.à r.l. (Sarabel). Can the EB explain its position and the considerations made in that context?

Pursuant to Luxembourg law and the B&S articles of association, the EB is obliged to convene a general meeting of shareholders of B&S within one month of receipt of a request by one or more shareholders holding more than 10% of the share capital. By convening the extraordinary general meeting of shareholders of B&S upon Sarabel's request, the EB acted in compliance with its legal obligations, since Sarabel holds more than 10% of the share capital of B&S.

Luxembourg law does not allow the EB to apply discretion in this respect and does not require the EB to take a position on the matter on the agenda of such general meeting.

The EB acknowledges the importance of good corporate governance and a well-functioning Supervisory Board ("SB") for the organisation of B&S as a whole. Should the requested agenda item be adopted by the General Meeting of Shareholders, the Company expects that the appointment of one or more new independent Supervisory Board members will follow as soon as reasonably possible in accordance with applicable law and corporate governance regulations. For that same reason the EB has emphasized this matter and its expectations in writing to the SB and Sarabel.

Question 2

Heeft de RvB met Sarabel overleg gehad over het agendavoorstel, hetzij voorafgaand aan indiening door Sarabel danwel nadat Sarabel het agendavoorstel had ingediend? Zo ja, wat heeft de RvB bij die gelegenheid aan Sarabel medegedeeld?

Unofficial English translation: *Has the EB consulted with Sarabel about the agenda proposal, either prior to submission by Sarabel or after Sarabel had submitted the agenda proposal? If so, what did the EB communicate to Sarabel on that occasion?*

Sarabel has submitted a request to the EB to convene a general meeting of shareholders to vote on the dismissal of Mr. Jan Arie van Barneveld from his position as member and chairman of the



SB. Pursuant to Luxembourg law and the B&S articles of association, the EB is obliged to comply with this request.

After receipt of this request, the EB discussed the practical implementation and consequences of this request with Sarabel.

Question 3

Is de RvB van mening dat het agendavoorstel in het belang van de vennootschap en de met haar verbonden onderneming is?

Unofficial English translation: Does the EB believe that the agenda proposal is in the interest of the company and its affiliated business?

Please see our response to question 1. The EB is of the opinion that a properly composed SB is in the Company's best interest, which we also emphasized in writing to the SB and Sarabel.

Question 4

Het agendavoorstel van Sarabel volgt op een "meningsverschil tussen Sarabel en de rvc over de manier waarop de rvc het overnamevoorstel heeft beoordeeld". Sarabel beoogde een bod te doen op (de activiteiten van) B&S en de beursnotering te beëindigen. Is de RvB van mening dat Sarabel een wijziging van de strategie van B&S beoogt?

Unofficial English translation: Sarabel's agenda proposal followed a "disagreement between Sarabel and the SB on how the SB assessed the takeover proposal". Sarabel intended to make an offer for (the business of) B&S and delist the company. Does the EB believe that Sarabel intends to change B&S's strategy?

The EB cannot comment on Sarabel's intentions.

Question 5

Indien ja, in hoeverre meent de RvB dat een strategiewijziging voor B&S wenselijk of nodig is?

Unofficial English translation: If so, to what extent does the EB believe a change in strategy for B&S is desirable or necessary?

The EB does not intend to change the strategy of B&S.



Question 6

In de reactie van B&S d.d. 13 oktober jl. aan de VEB gaven de RvB en de onafhankelijke leden van de Raad van Commissarissen ('RvC') aan dat zij "dit bod beiden conform hun verantwoordelijkheden hebben beoordeeld in samenspraak met juridische en financiële adviseurs". Wat waren uw conclusies over het bod, zowel ten aanzien van de strategische, juridische als de financiële aspecten [waaronder de indicatieve biedprijs en het mogelijke schuldniveau als gevolg van het bod]?

Unofficial English translation: In B&S's response dated 13 October to the VEB, the EB and the independent members of the Supervisory Board ('SB') indicated that they had "both assessed this offer in accordance with their responsibilities in consultation with legal and financial advisers". What were your conclusions on the offer about the strategic, legal, and financial aspects [including the indicative offer price and the potential debt position as a result of the offer]?

The designated EB members, together with the independent members of the SB, reviewed and assessed the confidential non-binding indicative offer made by Sarabel in consultation with its legal and financial advisors, in accordance with its responsibilities and fiduciary duties and taking into account the interests of B&S and all its stakeholders. Ultimately the non-binding indicative offer was withdrawn by Sarabel.

Question 7

Welke rol heeft de RvB gehad in het conflict tussen de onafhankelijke leden van de RvC en Sarabel?

Unofficial English translation: What role did the EB have in the conflict between the independent members of the SB and Sarabel?

The difference in points of view arose between the SB and Sarabel. While the EB has been privy to some of the related discussions, it is not a principal party in the matter.

Question 8

Heeft de RvB bemiddeld tussen beide partijen en/of geprobeerd de situatie te de-escaleren?

Unofficial English translation: Has the EB mediated between the two parties and/or tried to de-escalate the situation?

Please see the response to question 7 above.



Question 9

Is de RvB van mening dat de positie van president-commissaris Jan Arie van Barneveld onhoudbaar is geworden?

Unofficial English translation: Does the EB believe that the position of chairman Jan Arie van Barneveld has become untenable?

It is not for the EB to take a position on this. Pursuant to Luxembourg law and the B&S articles of association, the EB is obliged to comply with Sarabel's request to convene a general meeting of shareholders to vote on the dismissal of a member of the SB.

Question 10

Van Barneveld is in de aandeelhoudersvergadering van 17 mei 2022 herbenoemd voor een termijn van vier jaar. Daarbij werd onder andere aangegeven dat zijn "bijdragen zeer waardevol zijn gebleken". Hoe beoordeelt de RvB in dit licht de nu ontstane situatie waarin Van Barneveld minder dan zes maanden na diens herbenoeming voor ontslag is voorgedragen?

Unofficial English translation: Van Barneveld was reappointed for a four-year term during the shareholders' meeting on 17 May 2022. This included a statement that his "contributions have proved very valuable". In this light, how does the EB view the situation that has now arisen where Van Barneveld has been proposed for dismissal less than six months after his reappointment?

The dismissal of Mr. Van Barneveld as chairman and member of the SB has been put on the agenda by Sarabel in accordance with Luxembourg law and the B&S articles of association, and the EB is obliged to comply with Sarabel's request in this respect.

Question 11

Wat betekent het ontslag van Van Barneveld en het aangekondigde (voorwaardelijke) vertrek van commissaris Koelemeijer voor de positie van minderheidsaandeelhouders van B&S?

Unofficial English translation: What does the dismissal of Van Barneveld and the announced [conditional] resignation of SB member Koelemeijer mean for the position of minority shareholders of B&S?

The EB acknowledges the importance of good corporate governance and a well-functioning SB for the organization of B&S as a whole. As such the EB is of the opinion that it is in the interest of all stakeholders, including the minority shareholders, to have a well-functioning properly composed SB. The EB has considered, and will continue to consider, the interests of B&S and all its



stakeholders, including the minority shareholders, in its decision-making. Please also see the response to question 1.

Question 12

In de financieringsconvenanten van B&S zal een change of control clause zijn opgenomen. In hoeverre loopt B&S het risico dat financierende banken hun kredieten zullen opeisen bij een bod door Sarabel?

Unofficial English translation: B&S's financing covenants will include a change of control clause. To what extent is B&S at risk that the debt providers will demand repayment of their loans in the event of an offer from Sarabel?

There is currently no offer from Sarabel, and the EB does not wish to speculate on any potential future offer. However, should there ever come an offer in the future from Sarabel or another party, the EB will, together with its advisors, analyse and assess the offer's implications for the material contracts of B&S, including any material financing contracts.

Question 13

Zijn er gevallen bekend dat de grootaandeelhouder buiten de RvC om met de RvB spreekt, instructies geeft of anderszins zijn bevoegdheden te buiten gaat en de onderneming als familiebedrijf aanstuurt in plaats van de daarvoor bedoelde meer zuivere corporate governance structuur te eerbiedigen?

Unofficial English translation: Are there any cases where the majority shareholder has, outside the presence of the SB, spoken with the EB, given instructions, or otherwise exceeded its authority and managed the company as a family business instead of respecting the intended corporate governance structure?

The EB and the SB are the sole managing bodies of B&S. While the EB, from time to time, has conversations with various shareholders outside the presence of the SB, the EB forms and makes its own decisions under the supervision of the SB. In the EB's view, the decision-making framework of the Company has been adhered to.

Question 14

Indien ja, belemmert dit de RvB in zijn functioneren?

Unofficial English translation: If so, does this impede the functioning of the EB?

No, see the response to question 13.



Question 15

Indien ja, heeft de RvC - in het bijzonder de onafhankelijke commissarissen - de RvB in deze gesteund en hoe kijkt de RvB tegen deze achtergrond aan tegen het aanstaande vertrek van de onafhankelijke commissarissen?

Unofficial English translation: If so, has the SB – in particular the independent members – supported the EB in this respect and how does the EB view the imminent departure of the independent members of the SB against this background?

The EB is of the strong opinion that it has always been supported by the full SB.

Question 16

Overweegt u de continuïteit van uw positie als straks blijkt dat de governance waarborgen, waarbij gedacht kan worden aan het ontwikkelen en uitvoeren van de [dagelijkse] strategische richting van B&S los van directe beïnvloeding door de grootaandeelhouder, van uw positie als RvB zijn weggevallen?

Unofficial English translation: Are you considering the continuity of your position should it later transpire that the governance safeguards regarding your position as EB no longer apply, which could include the development and implementation of the [day-to-day] strategic direction of B&S independently from the influence of the majority shareholder?

Please see the response to questions 13 and 14. In the EB's view, the corporate governance framework of the Company has always been adhered to and the EB is committed to adhere to the same going forward.

Recent publicity [Recente berichtgeving]



Question 17

Uit de publicatie in Het Financieele Dagblad (FD) van 3 november jl. blijkt dat diverse medewerkers van B&S betrokken zijn geweest bij investeringen van Willem Blijdorp in Iran. Hoe is in dit licht te verklaren dat B&S in een eerdere schriftelijke reactie aan de VEB liet weten daarbij “geen enkele betrokkenheid” te hebben?

Unofficial English translation: The publication in Het Financieele Dagblad (FD) of 3 November states that several B&S employees were involved in Willem Blijdorp's investments in Iran. In light thereof, how can it be explained that B&S stated in an earlier written response to the VEB that it had "no involvement whatsoever" in this matter?

None of the B&S entities has, or has had, an interest in relation to the private investments of Mr. Blijdorp that have been mentioned in these publications. To the knowledge of the EB, these investments were made before the IPO of B&S. In preparation for these investments, Mr. Blijdorp consulted various people around him who had relevant knowledge on the matter, which included certain B&S employees.

Question 18

Op basis van welke argumenten meent B&S dat het geen risico's loopt op sanctiemaatregelen door de Verenigde Staten (VS) als gevolg van de betrokkenheid van B&S-medewerkers bij investeringen van Willem Blijdorp in Iran?

Unofficial English translation: Based on which arguments does B&S believe that it is not at risk for sanctions to be imposed by the United States (US) as a result of the involvement of B&S employees in the mentioned investments in Iran?

None of the B&S entities has, or has had, an interest in relation to the private investments of Mr. Blijdorp that have been mentioned in these publications. In preparation for his investments, Mr. Blijdorp consulted various people around him who had relevant knowledge on the matter, which included certain B&S employees.

B&S was made aware by Mr. Blijdorp of his intentions to invest in these assets, and his legal advisers informed B&S that these investments did not violate the sanction regulations in force at that time. B&S does currently not have any indication that it is in breach of any sanction regulations. However, particularly considering recent publicity on this matter, we are studying the situation to assess whether this requires any further action by B&S.



Question 19

Uit voornoemde FD-publicatie wordt duidelijk dat (voormalige) leden van de RvB van B&S bemoeienis hebben gehad bij investeringen van Willem Blijdorp. Eén van hen blijkt bovendien actief (geweest) namens Sarabel. Zijn er op dit moment andere zakelijke banden tussen entiteiten gecontroleerd door Willem Blijdorp en leden van de RvB en het senior management van B&S?

Unofficial English translation: It follows from the aforementioned FD publication that (former) members of the B&S EB have been involved in Willem Blijdorp's investments. Moreover, one of them appears to have (been) active on behalf of Sarabel. Are there currently any other business links between entities controlled by Willem Blijdorp and members of the EB and senior management of B&S?

The EB is aware that certain B&S employees also performed activities for Mr. Blijdorp. As part of the strengthened corporate governance any such activities are prohibited and should be prevented going forward based on control framework. B&S has policies in place in respect of conflicts of interest and related party transactions, being in accordance with applicable law and corporate governance regulations and will act accordingly.

Question 20

Heeft B&S naar aanleiding van deze en andere recente berichtgeving feedback gekregen van partijen als (lokale) overheden en commerciële bedrijven waarmee B&S een zakelijke relatie onderhoudt?

Unofficial English translation: Following this and other recent publications, has B&S received feedback from parties such as (local) governments and commercial companies with which B&S has a business relationship?

The Luxembourg "Commission de Surveillance du Secteur Financier" ("CSSF") has requested the Company to provide additional information in relation to, among other things, the VEB's publication of May 17, 2022, the announcement to convene an EGM and the non-binding indicative offer from Sarabel.

Question 21

Verwacht B&S dat de recente ontwikkelingen de reputatie aantasten en nadelige consequenties hebben voor de verdien capaciteit van de onderneming?

Unofficial English translation: Does B&S expect the recent developments to affect its reputation and adversely affect its earning power?



The EB does not wish to speculate on future events.

Question 22

In hoeverre meent de RvB dat het volledig onafhankelijk kan opereren, zonder directe inmenging van de meerderheidsaandeelhouder?

Unofficial English translation: To what extent does the EB believe it can operate completely independently, without direct interference from the majority shareholder?

The EB operates independently from the majority shareholder of B&S but under the supervision of the SB and within a corporate governance framework which is customary for companies that are listed on a regulated market.

Question 23

Is de RvB van mening dat na deze GM voldoende waarborgen binnen B&S aanwezig zijn teneinde de belangen van minderheidsaandeelhouders adequaat te behartigen, en in hoeverre voelt het zich hiervoor verantwoordelijk?

Unofficial English translation: Following this GM, does the EB believe sufficient safeguards are in place within B&S to represent minority shareholders' interests adequately, and to what extent does it feel responsible for this?

The EB always considers the interests of B&S and all its stakeholders, including minority shareholders, in its decision-making.
Please see also the response to question 1.

Question 24

Kan de RvB toezeggen dat, indien het daadwerkelijk tot een bod op [de activiteiten van] B&S door Sarabel of een andere aan Willem Blijdorp gelieerde entiteit komt, het voor de beoordeling daarvan gebruik zal maken van een fairness opinie verstrekt door een onafhankelijke gerenommeerde financiële instelling en dat deze fairness opinie integraal aan aandeelhouders beschikbaar zal worden gesteld?

Unofficial English translation: Can the EB undertake that, should an offer for [the activities of] B&S by Sarabel or another entity affiliated with Willem Blijdorp actually materialise, it will make use of a fairness opinion provided by an independent reputable financial institution to assess this offer and that this fairness opinion will be made available in full to shareholders?



Yes, this applies to any bona fide offer from any interested party.

Organisation GM (*Inrichting GM*)

Question 25

De GM vindt plaats zonder dat aandeelhouders daarbij fysiek aanwezig mogen zijn. Ook biedt B&S aandeelhouders niet de mogelijkheid tot virtuele participatie door middel van bijvoorbeeld chat, mail, audio- en videowebcast. B&S verwijst in dit kader naar de Luxemburgse noodwet. Kan de RvB bevestigen dat de Luxemburgse wet- en regelgeving niet verhindert dat een fysieke bijeenkomst wordt gehouden en dat aandeelhouders virtueel moeten kunnen participeren tijdens de GM, maar dat B&S er bewust voor heeft gekozen dit niet te faciliteren?

Unofficial English translation: The GM will take place without shareholders being allowed to be physically present. B&S does also not offer shareholders the possibility of virtual participation through, for example, chat, email, audio, and video webcast. In this context, B&S refers to the Luxembourg Emergency Law. Can the EB confirm that Luxembourg laws and regulations do not prevent a physical meeting and that shareholders should be able to participate virtually during the GM but that B&S has deliberately chosen not to facilitate this?

Luxembourg law does not prevent a physical meeting of shareholders, but in the context of the challenges presented by the recent pandemic, it also allows for shareholders' meetings and other corporate meetings to be held fully remotely. The general meeting initially scheduled for November 17, 2022 (which has now been adjourned to December 15, 2022) follows the procedures applied previously by B&S for holding recent general meetings, which offer shareholders the opportunity to ask their questions on the GM in advance. Shareholders can study the answers provided by B&S before casting their vote at the GM, as has been the practice for B&S' previous shareholders' meetings. This procedure allows all shareholders to reflect on the agenda item and the company's answers to their questions well in time before actually casting their vote.

Question 26

Waarom heeft de RvB niet beslist tot het faciliteren van een virtuele (live) participatie van aandeelhouders tijdens de GM?

Unofficial English translation: Why did the EB not decide to facilitate virtual (live) shareholder participation during the GM?

Please see the response to question 25.

Question 27



Vindt de RvB een GM die volledig achter gesloten deuren plaatsvindt recht doen aan het agendavoorstel dat ingrijpende consequenties heeft voor (minderheids)aandeelhouders en de vennootschap?

Unofficial English translation: Does the EB think a GM that takes place completely behind closed doors does justice to the agenda proposal that has far-reaching consequences for (minority) shareholders and the company?

Please see the responses to questions 11 and 25.

Question 28

Kan de RvB toezeggen dat een woordelijk verslag van de GM zal worden gepubliceerd op de website van B&S?

Unofficial English translation: Can the EB promise that a verbatim report of the GM will be published on the B&S website?

As for all shareholders' meetings, the minutes of the meeting will be published on the B&S website after the meeting in accordance with applicable law.

Financial matters [Financiële gang van zaken]

Question 29

Bij de halfjaarcijfers nam B&S een voorziening van 7,5 miljoen dollar in verband met een dubieuze debiteur.

- Ten aanzien van kredietrisico meldt B&S in het jaarverslag 2021 dat "all transactions must be secured, either by credit insurance, payment up front or by a secured payment instrument [guarantee or letter of credit]". Kan B&S toelichten waarom deze waarborgen (kennelijk) niet adequaat hebben gefunctioneerd bij deze debiteur?
- Wat was de aanleiding om deze voorziening bij de halfjaarcijfers te nemen, en hoe is de omvang van de voorziening precies vastgesteld?

Unofficial English translation: In the half-year results, B&S has made a \$7.5 million provision related to a bad debt.

- B&S reported in its 2021 annual report on credit risk that "all transactions must be secured, either by credit insurance, payment upfront or by a secured payment instrument [guarantee or letter of credit]". Can B&S explain why these safeguards [apparently] did not work adequately with this debtor?



As set out in our webcast as of August 22, 2022, the provisioned receivables related to a partnership for which no credit insurance was possible. Based on a reasonable business decision, we decided to partner with the customer.

b. What was the reason for making this provision in the half-year results, and how exactly was the scope of the provision determined?

During the second quarter of 2022, it transpired that payments were delayed, after which we further assessed the customer relation and annual accounts of the customer. Based on this, it became apparent that losses were higher than expected, mainly caused by limited controls within the customer organization. Therefore, we further assessed the outstanding position with that particular customer, resulting in the provision and termination of the partnership.

Question 30

30. Het aandeel van de groepswinst dat naar minderheidsaandeelhouders ging, was relatief laag over de eerste zes maanden van 2022.

- a. Kan B&S toelichten waarom dit zo was?
- b. Kan B&S een indicatie geven van het aandeel [percentage] van minderheidsaandeelhouders in de groepswinst in de komende jaren?

Unofficial English translation: The proportion of group profits that went to minority shareholders was relatively low over the first six months of 2022.

- a. Can B&S explain why this was the case?

Please note that on June 30, 2021, B&S acquired an additional 16.42% of the shares of JTG Holding B.V. and JTG W.W.L. S.à r.l. for € 48,5 million as such, B&S (indirectly) increased its share in FragranceNet. (Please also refer to our 2021 HY report and our 2021 Annual Report). It was based thereon that the minority share as such decreased. Also, please refer to the 2021 Financial Statements, Note 22. Non-controlling interest (page 159 of the annual report).

- b. Can B&S give an indication of the share [percentage] of minority shareholders in group profits in the coming years?

In order to provide guidance on the share of minority shareholders in the group profits in the coming years, we would need to forecast/estimate the net result of those B&S subsidiaries in which minority shareholders have a stake. So, for the sake of clarity, please note that this does not concern the minority shareholders of B&S.

Question 31

De schuldpositie van B&S is in de eerste helft van 2022 nadelig beïnvloed door voorraadopbouw. Hoe schat B&S het risico op het niet voldoen aan de bankconvenanten per ultimo 2022, en wat kunnen daar de gevolgen van zijn?



Unofficial English translation: B&S's debt position was adversely affected by increased inventory positions in the first half of 2022. How does B&S estimate the risk of non-compliance with bank covenants at the end of 2022, and what could be the consequences thereof?

The financial position, including the debt position of B&S, is part of the ongoing and day-to-day seasonal business of the Company and is therefore subject to the B&S control framework. As such, this is part of the risk management of the EB.

