

## **Minutes of the Annual General Meeting of Shareholders of SIF HOLDING N.V. (“Sif”)**

**Date:** 3 May 2018

**Location:** Theaterhotel De Oranjerie, Kloosterwandplein 12-16, Roermond

**Time:** 11.00 a.m.

### **1. Opening**

The chairman of the Supervisory Board (Andre Goedee) cordially welcomed those present to the Annual General Meeting of Shareholders of Sif Holding N.V.

A special welcome was extended to the junior civil-law notary, Mrs Zwankhuizen, from Houthoff, the auditor, Mr Mark-Jan Moolenaar RA, from EY, the representatives of the Works Council of Sif, Mr Steve Goodison and Mr Herman Rijks, and Alexander van Wassenaer, former member of the Supervisory Board of Sif Holding N.V.

The chairman led this meeting and in accordance with article 26.2 of the articles of association of Sif Holding, the chairman designated Mrs Yara van Dongen to act as secretary and prepare minutes of the business transacted at this general meeting. The aim was to post the minutes on the website of Sif within 4 weeks after today.

This meeting took place in the Theaterhotel De Oranjerie in Roermond. The emergency exits were located [the chairman pointed to the emergency exits]. No drill had been scheduled for today and therefore if the alarm sounded, this was not a false alarm and those present were requested to leave their belongings behind, to leave the venue calmly but as quickly as possible via the emergency exits and to gather outside at the assembly point designated for that purpose.

With regard to the orderly procedure of the meeting, the chairman informed those present as follows: This meeting had been announced and those entitled to attend the meeting of Sif Holding had been convened by means of an announcement on the website of the company on 21 March 2018. All holders of shares of Sif had been given an opportunity to cast their vote online and to issue voting instructions. As at the date of convocation and today's date, a total of 25,501,356 shares were outstanding.

A total of 29 holders of shares had registered for this meeting, jointly representing 379,851 votes, or 1.5% of the number of shares outstanding. Via the portal of Securities voting, votes had been cast for 18,673,644 shares, or 73.2% of the shares outstanding. The number of votes cast and the number of votes cast in favor or against the resolution concerned or the number of abstentions from voting would be stated for each item of the agenda. The chairman proposed to check, at the end of the consideration of each item of the agenda, whether there was support for acclamation. Should anyone object to this in respect of any

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item of the agenda, those voting against the resolution concerned would be requested to identify themselves by a show of hands and to state their names, and then so too would those abstaining from the vote.

Each person entitled to attend the meeting had the right to speak in the meeting and to ask questions, stating his/her name and place of residence and, if applicable, the name of the shareholder he/she was representing. Observers did not have the right to speak in the meeting but if and as long as the order of the meeting so permitted, this could be departed from and observers were welcome to ask questions or voice their views.

For the sake of completeness, the chairman noted that all of today's items to be put to the vote would be decided in accordance with the agenda of the meeting and the corresponding explanatory notes that had been posted on Sif's website. Those documents for the meeting were decisive in determining the exact content and purport of the resolutions to be taken today.

The chairman kindly requested everyone to switch off their mobile phones, or in any case to set them to 'silent', and not to use social media or other channels to report live on this meeting. The voting results would be placed on the website by Sif after the meeting.

Lastly, the chairman requested anyone wishing to exercise their right to speak to walk to the microphone and to ask their question, clearly stating their name.

The chairman then proceeded to the consideration of item 2 of the agenda.

## **2. Announcements**

The chairman stated that Sif Holding had published a trading update that morning on the basis of its performance in the first quarter of 2018. A hard copy of this trading update was available for those present at the exit after the close of this meeting.

## **3. 2017 annual report, profit appropriation and discharge from liability**

The chairman stated that the 2017 annual report, of which the 2017 financial statements were part, had been published on 15 March 2018 on the website of Sif Holding N.V. and had been available for inspection at the office of Sif Holding in Roermond since that date. Hard copies of the report had been available at the entrance.

CEO Jan Bruggenthijs then presented the highlights of 2017 and also reviewed the company's performance in the first quarter on the basis of a PowerPoint presentation. The financial impact in the statement of profit and loss and other comprehensive income and the statement of financial position would be discussed at a later stage when those present were asked to approve the 2017 financial statements.

Jan Bruggenthijs and Leon Verweij discussed the PowerPoint presentation that was shown at the meeting. This presentation was published on Sif's website.

Questions relating to the presentation:

**Van Riet:** During the general meeting of 2017 (2016 financial year), the CEO spoke of the fact that 2017 was a year of transition. At this general meeting, 2018 is likewise characterized as a year of transition. Could you explain why two years were necessary as years of transition?

**Jan Bruggenthijs:** It was announced during the General Meeting of Shareholders of 2017 that 2018 would be a year of transition. No statement was made at that time that 2017 was a year of transition.

**Van Riet:** Wind turbines that are 200 m high are now being built. Can Sif manufacture wind turbines that are that high?

**Jan Bruggenthijs:** Sif only manufactures the foundations (currently of 60-70 m) for offshore wind turbines. Sif can build foundations with a height of up to around 100 m.

**Van Riet:** Do the recent tariffs introduced by President Trump have any effects on steel prices? And if so, does this represent a risk for Sif?

**Jan Bruggenthijs:** Sif never bears the risk of changes in steel prices. By way of example: Sif enters into back-to-back agreements with the steel plant and the customer as a result of which the risk of any increase in the steel price is not borne by Sif.

**Van Riet:** Is Sif currently working to develop new products?

**Jan Bruggenthijs:** At the present time, the management does not wish to discuss its involvement in or its views on the development of new products, as this is competitively sensitive information.

**Mr Diaz on behalf of the VEB (Dutch Investors' Association):** Looking at the results 2016 – 2017, there is a decrease in results, particularly in terms of the return on capital employed. The Executive Board has outlined a positive outlook (especially from the start of 2019) by increasing revenue. In the annual report, Sif is referred to as cost leader and product leader. However, looking at the order book, this proves to be disappointing, especially in view of the expanded production capacity. Why are cost leadership and product leadership not converted into a better-filled order book and how does the order book compare with the market?

**Jan Bruggenthijs:** Sif is currently the only party in the offshore wind foundation market that has a project for production during the second half of 2018. For example: Steelwind is idling and EEW also has hardly any work during the 2nd half of 2018. In addition, both Steelwind and EEW have no projects for production in early 2019. Sif's order book is currently filled until September 2019. Due to competitive pressures, margins for the Borssele III/IV project which will be produced during the 2nd half of 2018 are lower.

**Mr Diaz on behalf of the VEB:** Can an improvement in margins on projects be expected in 2019?

**Jan Bruggenthijs:** Sif's management does not provide information or forecasts on prices and hence the margins on projects that will be produced in 2019 and subsequent years. The management expects margins to return to pre-2018 levels.

**Mr Diaz on behalf of the VEB:** What is Sif's competitive position compared with EEW? Sif's product portfolio is relatively small. Is this a drawback in acquisitions? EEW engages in

cross-selling, among other things. What is Sif doing to improve or maintain its competitive position?

**Jan Bruggenthijs:** EEW produces large and small steel pipes. No cross-selling takes place between them. In addition, EEW does not, in principle, have a different type of production line than that of Sif. The same applies to Steelwind. Accordingly, Sif, EEW and Steelwind are comparable rivals for each other. Naturally, Sif's management is looking at options to strengthen Sif's competitive position, for instance by developing other products. However, sufficient demand is expected at the present time for the monopiles market in the next 10 years.

**VEB:** Sif is well positioned for production of North Sea wind farms (France, Belgium, UK, Denmark). Is the Brexit affecting Sif?

**Jan Bruggenthijs:** The specific effects of the Brexit are not clear yet. The management has spoken with parties involved in offshore wind in the UK. Those talks showed that the future of offshore wind in the UK is looking favorable at present. Of course, Sif is closely following developments concerning the Brexit and the import tariffs for steel in the USA. As soon as the effects of the Brexit become clearer, Sif will (where necessary) respond accordingly.

**Bastiaan Rogmans (Add Value):** First, a thank you to the management team for the past few years. Turning to the Q1 2018 results, it is clear from this morning's trading update that working capital is increasing. What are the expectations for working capital for the rest of 2018?

**Leon Verweij:** The trading update states that the higher level of working capital is a snapshot. Under its agreements with customers, Sif can invoice them after achieving specific milestones. Until those milestones are reached, Sif builds up work in progress. While work in progress is being built up, Sif continues to pay its suppliers as usual. Working capital has currently returned to substantially lower levels. There are not expected to be any reasons why Sif should use more working capital during the year as the management sees no signals in the market that payment conditions are subject to change.

The production of the Borssele III/IV project shifted from 2019 to 2018. During the webcast, it was stated that to acquire this work, Sif utilized its financial position by agreeing prefinancing by Sif. The management was able to partially pass on the prefinancing position to its suppliers of steel and flanges. This limits the effect on Sif's working capital as only the labor hired is prefinanced. These agreements were reached by virtue of the long-standing good relations between Sif and its suppliers.

**Bastiaan Rogmans (Add Value):** With regard the market in general, I would like to hear your assessment of Sif's chances in the USA. Bear in mind that EEW recently won an order in Massachusetts (USA). In addition, developments are ongoing in the field of offshore wind in New York (USA) and New Jersey (USA). The markets in Taiwan and Japan are likewise developing. GeoSea announced that it would start production for a project in Taiwan.

**Jan Bruggenthijs:** Jointly with Orsted, EEW announced the construction of an assembly facility in Massachusetts. To be clear: at present, EEW has not yet won a project. For certain reasons, Sif decided not to participate in this. EEW only has a commitment that they are preferred. In Sif's view, investment abroad is only attractive if there is a sustainable market in the country concerned. This means that there have to be sufficient projects for a number of

years. Sif does not see a sustainable market in the USA as yet. By contrast, Sif's management expects a stream of projects to emerge in Japan (12-13). Sif is involved in the tendering of all projects in the Japanese market. These wind farms will be installed at the end of 2019 or the start of 2020. There has been some debate about the foundation to be chosen for wind farms in the Taiwanese market. Investors have at present opted for jackets in connection with the earthquakes and typhoons there. Sif has discussed the production of a project in Taiwan (production in EU) with Van Oord. It is also possible that Sif will not go forward with this, because if one of its rivals produces for a project in Taiwan, this means that production capacity in Europe is filled and Sif can win more projects or acquire projects on better terms. The numbers as shown in the PowerPoint presentation exclude all international developments and also the Baltic Sea (Poland and Estonia, for example). These developments are not incorporated in the summaries because they are not yet sufficiently clear. The summary only considers the European market as it is served at the present time, for example, the UK, France, Denmark, the Netherlands, Belgium, Norway, Germany. If the Baltic Sea continues to develop, EEW will probably be better positioned. That creates room for Sif to win projects in the North Sea. This is the competitive playing field.

**The Chairman:** Sif is closely watching developments in and outside Europe. Priority is given to working on safeguarding Sif's leading position within Europe.

**Mr Boom:** In the past, it was announced that no wind farms could be produced/installed without subsidies. Recently, however, tenders for wind farms without government subsidies were announced. Could you explain what this means?

**Jan Bruggenthijs:** A tender without subsidies means that this industry is now able to stand on its own feet and no longer depends on government support. As a result, possible savings are currently being considered throughout the supply chain. The production of the foundations of offshore wind farms represents 4-6% of the total investment of a wind farm. Pressure on pricing is therefore limited for the foundations. Moreover, the foundations are the basis for the development of a wind farm. Customers are therefore focused on the timely delivery of foundations of the required quality. If necessary, Sif (partially) outsources the production of a project. Sif also looked at the necessary conditions of the quay in order to create cost savings within the chain. Good ground conditions are important for creating a good quay for installation vessels. Port of Rotterdam had the clay pockets on the bottom for the quay of the terminal on the MV2 replaced by sand. This change was funded by Port of Rotterdam. This made a short load-out time for monopiles and transition pieces possible, which produces major cost savings.

In addition, together with several partners (such as Van Oord and Huisman), Sif is examining a method for cheaper and smarter pile-driving of monopiles (Blue Piling). This method requires less force and involves more and longer 'pressing'. This enables faster pile-driving of the monopiles and results in less fatigue in the steel. This pile-driving method requires less steel, meaning the monopile becomes cheaper in the end. It should be noted that the use of less steel has no consequences for Sif as steel is considered to be a passthrough. Sif uses the innovation box for these and other initiatives. Naturally, this kind of tax benefit is not leading in terms of the will to innovate. Moreover, the innovation box can only be used if there is a patent. Sif is currently working to obtain a number of patents. No patents have yet been granted.

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**Van Riet:** Loading monopiles formerly took 3 days and now takes 18 hours. How is this possible?

**Jan Bruggenthijs:** Sif does not load monopiles itself. Sif or Port of Rotterdam only provide good conditions for the installation vessels to perform the load-out as quickly as possible.

Using a photograph in the PowerPoint presentation, Jan Bruggenthijs then explained how the load-out of monopiles is performed.

**Mr Diaz on behalf of the VEB:** The payment conditions of Sif have not changed. But the extent to which the work in progress is prefinanced was higher at the end of 2016 than at the end of 2017. What is the reason for this?

**Leon Verweij:** The working capital is a snapshot. It depends partly on the trade payables and trade receivables position. Working capital at the end of 2017 was € 7 million.

**Mr Diaz on behalf of the VEB:** Does Sif negotiate on payment conditions with the parties concerned?

**Leon Verweij:** Sif negotiates on payment conditions for each contract, these negotiations already start in the tender phase. To that end, Sif prepares a cash flow calculation/cash flow forecast for each project. The results must be positive or at least neutral for Sif. As a rule, this is successful owing to the project-based financing of projects. The project financing has always already been arranged by the time the project starts.

**Mr Diaz on behalf of the VEB:** Can working capital be further optimized?

**Leon Verweij:** In the management's view, Sif currently has a good working capital position. This does not mean that Sif's net debt could not be reduced in the long term. Sif generates sufficient cash, part of which is distributed to shareholders as dividend and part of which is spent on investments. At present, the working capital is well suited to a production environment.

**Mr Diaz on behalf of the VEB:** In line with the sustainability-focused spirit of the times, the oil & gas market is being reduced. Sif focuses not only on the offshore wind but also on the oil & gas market. Can the management indicate what it expects of the long-term trend and how many assets it has reserved for this segment?

**Jan Bruggenthijs:** The O&G market in Europe is uncertain. Nonetheless, numerous projects are in the pipeline. Jackets are required in order to execute those projects. Sif has expertise for the production of legs and pinpiles for these jackets and will therefore continue to produce those components. With a view to optimizing capacity utilization of the plant, it has been decided to design the oil & gas line in Roermond to be flexible so that it can also be used for pinpiles for offshore wind.

The chairman then stated that the financial statements were part of the 2017 annual report. The annual report had been published on 15 March 2018, including an unqualified report of the auditor of the company. The auditor was present at the meeting and was prepared to reply to any questions of shareholders as soon as he was given the floor to do so by the chairman. In addition, the CFO Leon Verweij was also prepared to reply to their questions.

The auditor gave a presentation on the financial audit of Sif. Before giving the floor to the auditor, the chairman noted that:

1. the company had exempted the auditor from his duty of confidentiality during this meeting.
2. the auditor was obliged to correct materially inaccurate assertions and statements relating to the financial statements or the independent auditor's report. The auditor would correct any materially inaccurate statements during this meeting or before the minutes were published.
3. the auditor would present the audit process and the procedures relating to the financial statements. The chairman gave Mr Moolenaar from EY the floor.

The auditor discussed EY's audit approach. It was up to the management and the members of the Supervisory Board to discuss matters concerning the company. EY's discussion would be limited to EY's audit procedures. The audit was directed, among other things, at assessing whether the report of the Supervisory Board and of the management was consistent with the financial statements, and whether the financial statements met the requirements laid down in laws and regulations.

Mr Moolenaar stated that materiality was defined as the maximum permitted misstatement in Sif's financial information without a correction of the financial information being required for it. In the report, EY applied an earnings-based model, i.e. profit before tax, to calculate materiality. In 2017, profit before tax was slightly lower than in 2016. It was evident for the shareholders that EY applied a lower materiality for certain items such as directors' remuneration, for which materiality was 0. Any misstatements in excess of € 100,000 were explicitly reported to the Audit Committee. In addition, Mr Moolenaar stated that the audit approach was based on the identified risks and the market developments.

The coverage of the procedures was not included in the auditor's report. Owing to the structure of the company and the geographical locations, the audit had been performed with a single team and coverage of the balance sheet total and revenue was high. Total coverage was around 95% of the total. In addition, the key audit matter was included in the auditor's report. One key audit matter applied to Sif for the 2017 financial year. This was the valuation of work in progress. This related partly to the balance sheet items and the revenue recognition in the statement of profit and loss and other comprehensive income.

The auditor's report on the 2016 financial year had included two additional key audit matters relating to the IPO and the amendment of the financing agreement. These did not apply in 2017 and therefore these audit matters were not included as key audit matter in the auditor's report.

Lastly, EY met with the Audit Committee on a quarterly basis and where necessary consultation also took place by telephone. In addition, EY also consulted with the Audit Committee without the management being present.

#### Questions:

**Mr Diaz on behalf of the VEB:** Estimation is involved in the valuation of work in progress. Is this estimation optimistic or positive and where is Sif in the range that is applied by EY?

**Mr Moolenaar:** The estimates applied by management are acceptable. Therefore, EY did not consider a correction necessary. The estimates applied by management are in the middle of the range and are neither aggressive nor conservative.

**Mr Diaz on behalf of the VEB:** There was an adjusted audit difference for the 2016 financial year. Did this also apply for the 2017 financial year?

**Leon Verweij:** Yes, this also applied for the 2017 financial year. The aggregate audit difference was around 400k and related partly to reversing the 2016 audit difference. The remainder related to the fact that in EY's view, Sif had been slightly too conservative regarding the costs of forthcoming projects.

**Mr Diaz on behalf of the VEB:** The valuation of work in progress is important. How is this arranged within the Audit Committee? How are errors prevented?

**Leon Verweij:** Sif prepares a monthly valuation of work in progress. In that valuation, the hours spent, costs incurred and the expectation concerning the end of a project (expected profit) are significant elements. Every month, the production and project managers prepare an estimate of expected costs and other matters. This is also reviewed by a project controller on behalf of finance. This list with developments is discussed each month with the head of project management, the head of production, the controller and the CFO. Twice a year, EY joins this consultation with a view to ensuring due care with regard to the considerations and estimates applied by Sif.

**Mr Diaz on behalf of the VEB:** The valuation of work in progress is performed at the 'bottom'. Is there enough challenge from management in this respect?

**Leon Verweij:** The challenge is at various levels. The estimates are performed at the bottom. This estimation is challenged by controlling and subsequently a management challenge is performed there. Lastly, a check is carried out by EY twice a year. If any variances are identified, these are treated in an appropriate manner. This means that positive variances are treated conservatively. By contrast, negative variances are included immediately in results.

**Mr Boom:** The financial statements refer to a normalized EBITDA, with the explanation that the normalization relates to the IPO expenses. This normalization had also already been included in the 2016 financial year. Why is this still included in the 2017 financial year?

**Leon Verweij:** The normalization expenses stated are not expenses that were incurred in 2017. But these expenses are, as it were, 'parked' in the statement of financial position on the basis of the applicable regulations and are written off over a specific period. The last normalization expenses will be written off in May 2018, after which they will no longer be included in the statement of financial position.

The chairman then proceeded with the agenda and to the formal adoption of the items on the agenda.

### **3a. Adoption of 2017 financial statements**

The 2017 financial statements were included in the 2017 annual report as it had been published on Sif's website. In accordance with article 30.5 of the articles of association of the company, the General Meeting of Shareholders was requested to adopt the financial statements. That brought the meeting to the first resolution of this General Meeting of Shareholders.

Resolution: adoption of 2017 financial statements.



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Via the portal, 18,637,644 votes were cast in favor of the resolution, or 73.2%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

Those present agreed with the proposal at the meeting.

The resolution was thereby adopted.

### **3b. Observations regarding the reservation of the profit and the dividend policy**

In accordance with the dividend policy of the company as stated in the prospectus of 1 February 2016, Sif aimed to pay a dividend in line with the mid- to long-term financial performance of the company with the aim being a gradual increase of the dividend per share. Sif aimed to pay out a dividend annually of 25% – 40% of profit, and to reserve the profit then remaining for investments, strengthening equity, improving the liquidity position, etc. The distribution of dividend was of course subject to certain statutory restrictions that will be complied with at all times.

Dividend could be distributed in cash, in shares, in a combination of cash and shares or in the form of a stock dividend.

### **Approval and distribution of dividend from the profit for 2017**

In accordance with the financial statements the net profit (also referred to in IFRS terms as the profit attributable to the shareholders) for 2017 amounted to € 30,760 million. In accordance with article 34 of Sif's articles of association, the Executive Board, with the approval of the Supervisory Board, added € 23,070 million to the reserves. The shareholders would decide on the appropriation of the profit then remaining of € 7,690 million.

The Executive Board proposed, with the approval of Supervisory Board, in accordance with article 29.1 (f) of the articles of association of the company, to distribute a cash dividend of € 0.30 per share. The ex-dividend date was 7 May 2018. The dividend would be made payable to intermediaries on 11 May 2018.

#### Questions:

**Mr Diaz on behalf of the VEB:** The VEB agrees with this but has a question concerning the proposal. Why is the dividend proposal for the 2017 financial year lower than the dividend proposal for the 2016 financial year?

**Maarten Schönfeld (chairman of the Audit Committee):** The profit for the 2017 financial year and the outlook for 2018 were taken into account in preparing the dividend proposal. In the first instance, those two elements were less favorable than had been previously assumed. This was due to delays in a number of projects in the market. During the AGM of 2019, a dividend proposal will be again presented for the 2018 financial year. Given the good outlook for 2019, the Audit Committee does not exclude a higher pay-out ratio.

**Mr Diaz on behalf of the VEB:** Solvency is currently at 47%. How does this compare with the policy?

**Leon Verweij:** The management has not set a maximum for Sif's solvency. There is a solvency shortfall compared with the main competitors until year-end 2018. Sif's solvency currently stands at 45%. This is a good ratio, given the nature of the activities. New IFRS rules will become effective from 2019 that will extend the statement of financial position. Sif is considering how to treat this in its financial reporting.

Resolution: approval of distribution of dividend from the profit for 2017.

Via the portal, 18,553,461 votes were cast in favor of the resolution, or 72.6%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

The resolution was thereby adopted.

### **3c. Discharge of the Executive Board**

This item of the agenda related to the proposal, in accordance with article 25.1 of the articles of association of the company, to grant discharge to the members of the Executive Board in respect of the policy pursued by them in the 2017 financial year. This discharge related to the policy to the extent it is known from the 2017 annual report and other information provided to the Annual General Meeting of Shareholders.

Resolution: grant discharge to the members of the Executive Board and management of Sif in respect of the policy pursued by them in the 2017 financial year.

Via the portal, 18,637,644 votes were cast in favor of the resolution, or 73.2%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

The resolution was thereby adopted.

### **3d. Discharge of the Supervisory Board**

This item of the agenda related to the proposal, in accordance with article 25.1 of the articles of association of the company, to grant discharge to the members of the Supervisory Board in respect of the supervision exercised by them during the 2017 financial year. This discharge related to the supervision exercised to the extent known from the 2017 annual report and other information provided to the Annual General Meeting of Shareholders.

Resolution: grant discharge to the members of the Supervisory Board in respect of the supervision exercised by them in the 2017 financial year.

Via the portal, 18,637,644 votes were cast in favor of the resolution, or 73.2%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

The resolution was thereby adopted.

#### 4. Information on succession of Jan Bruggenthijs

The chairman provided information on the departure of Jan Bruggenthijs as CEO of Sif. Jan Bruggenthijs had announced that he would not be available for another term of office as CEO of Sif Group. This had been announced by means of a press release on 13 March 2018. Accordingly, Jan Bruggenthijs would step down as CEO of Sif Holding with effect from the close of this general meeting. Jan had served as Sif's CEO for around four years. He had led Sif through an eventful period, a period in which productivity was high, the workshop had been full and in which, in parallel, an investment project worth around € 90 million was carried out. In addition, during that same period, the company was transformed from a private into a public company with all the consequences that entails. Sif was grateful to Jan for his leadership during that period, and understood why he had decided not to be available for reappointment. Sif wished Jan much fortitude and happiness.

The Supervisory Board's Selection and Appointments Committee had launched the search for a successor for Jan Bruggenthijs by engaging an executive search agency. A number of candidates had been selected at the present time. The works council and the management of Sif were being involved in this process as well. It was hoped that a final decision could be taken soon with regard to a successor.

In addition, the market had been informed of the search for a new COO. In the Supervisory Board's view, Sif had been operationally strengthened at the present time. Therefore, the Supervisory Board had decided to postpone the final decision on the appointment of a COO until a new CEO had been appointed.

The Chairman presented flowers to Jan Bruggenthijs.

#### Questions:

**Van Riet:** Why is Jan Bruggenthijs stepping down as CEO of Sif Group?

**Chairman:** Jan Bruggenthijs is stepping down for personal reasons. The meeting was asked to accept this without asking for further information on this.

**Mr Diaz on behalf of the VEB:** The VEB sees substantial turnover among the management of Sif (COO/CEO and changes within the Supervisory Board). The outside world was beginning to think there was unrest within the management. Can you provide an explanation for these changes?

**Chairman:** Sif has gone through a transition from a private company to a public company. This has also affected the people working for it. There are various reasons for the changes in the Executive Board and Supervisory Board. Certainly, the changes did not originate in the decision-making within the company. The departure of the CEO is regrettable but also offers an opportunity for Sif to take the next step going forward into the future.

**Mr Diaz on behalf of the VEB:** The strategy of Sif was determined by investments in the past. To what extent will the new CEO be given room to determine the strategy?

**Chairman:** The new CEO will come into a company in which strategic choices have already been made. Sif is in the midst of a quality improvement drive versus its competitors. The arrival of a new CEO and COO can in that context advance the roll-out of the innovation process and the execution of the strategy formulated.

## 5. Composition of the Supervisory Board

### 5a. Appointment of Peter Visser as member of the Supervisory Board of Sif Holding N.V.

This item of the agenda related to the proposal of the Supervisory Board to appoint Mr P. Visser as a member of the Supervisory Board of Sif Holding. The term of office was 4 years, until the close of the General Meeting of Shareholders in 2022. Mr Visser was the member of the Supervisory Board nominated by the major shareholder GKSE Holding. He had served as temporary member of the Supervisory Board since being appointed as such on 1 November 2017 in connection with the retirement of Alexander van Wassenaer. For a summary of Mr Visser's CV, reference was made to the notice of meeting as published on Sif's website. Alexander van Wassenaer was present today and the chairman welcomed the opportunity to thank him for his commitment to Sif in the past years and wish him every success.

The chairman invited Mr Visser to introduce himself to the meeting, which Mr Visser then proceeded to do.

#### Questions:

**Van Riet:** Mr Visser is being nominated by the major shareholder of Sif. How is the independence of Mr Visser as a member of the Supervisory Board safeguarded?

**Chairman:** The role of Mr Visser as a member of the Supervisory Board is to ensure that Sif is and remains a healthy company. Mr Visser is aware of his role in this connection among the members of the Supervisory Board. At times, this leads to healthy debates but it always results in consensus. The regulations and articles of association provide for situations involving conflicts of interests and these are complied with in this connection.

**Mr Diaz on behalf of the VEB:** The chairman mentioned "tensions" within the Supervisory Board. Can you provide information on this?

**Chairman:** There are healthy debates within the Supervisory Board on the course of affairs and the future of Sif which, as within every Supervisory Board, can sometimes result in "tensions".

**Mr Diaz on behalf of the VEB:** Mr Visser is not independent within the meaning of the CGC. How do you safeguard this independence within the Supervisory Board?

**Chairman:** In the event of a conflict of interest, Mr Visser will be requested to leave the meeting. So far, this has not been necessary.

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Resolution: appointment of Mr P. Visser as a member of the Supervisory Board of Sif Holding N.V.

Via the portal, 18,640,793 votes were cast in favor of the resolution, or 73.1%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

The resolution was thereby adopted.

**5b. Appointment of Peter Wit as member of the Supervisory Board of Sif Holding N.V.**

This item of the agenda related to the proposal of the Supervisory Board to appoint Mr P. Wit as a member of the Supervisory Board of Sif Holding, upon the nomination of the Selection and Appointments Committee. The term of office was 4 years, until the close of the Annual General Meeting of Shareholders in 2022. For a summary of Mr Wit's CV, reference was made to the notice of meeting as published on Sif's website. Peter Wit would thereby join the Supervisory Board of Sif and fill the vacancy that arose due to the retirement of Maarten Schönfeld. Maarten had stated that he was not available for reappointment. Sif also thanked Maarten for his commitment in the past years and wished him every success. The chairman presented flowers to Maarten Schönfeld. Sif was grateful to Maarten for contributing his expertise.

The chairman invited Mr Wit to introduce himself to the meeting, which Mr Wit then proceeded to do.

Questions:

**Mr Diaz on behalf of the VEB:** How had the internal decision-making proceeded with regard to the appointment of Mr Wit and what were the considerations for Mr Wit to accept this position?

**Mr Wit:** Various interests are combined in the position of member of the Supervisory Board of Sif.

For reasons of confidentiality, Mr Wit had not yet received the audit report and the management letter. Mr Wit would focus especially on the financial aspects of the company.

Resolution: appointment of P. Wit

Via the portal, 18,637,644 votes were cast in favor of the resolution, or 73.2%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

The resolution was thereby adopted.

**6. Appointment of the auditor for the 2018 and 2019 financial years**

This item of the agenda related to the proposal of the Supervisory Board, on the recommendation of the Audit Committee, to appoint Ernst & Young Accountants LLP (EY) as

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external auditor of Sif for the 2018 and 2019 financial years. EY was hereby engaged to audit the 2018 and 2019 financial statements and annual reports.

The services rendered to Sif and EY's performance had been evaluated and this proposal was based on a positive outcome of this evaluation. EY had served as auditor of Sif since 2007. EY partner Mark-Jan Moolenaar had been the external auditor of Sif on behalf of EY for the past 2 years. Against this background, it was proposed to extend the current engagement of EY by 2 years.

Resolution: appointment of EY as auditor for the 2018 and 2019 financial years

Via the portal, 18,553,461 votes were cast in favor of the resolution, or 72.6%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

The resolution was thereby adopted.

## **7. Authorization of Executive Board**

### **7a. Authorization to purchase shares in the company's own capital**

This proposal related to authorizing the Executive Board to purchase, during a period of 18 months (from 3 May 2018) and with the approval of the Supervisory Board, shares in the company's own capital otherwise than for no consideration, including by means of derivatives, stock exchange transactions, private transactions, block trades, etc.

The authorization of the Executive Board to purchase shares in the company's own capital was to be maximized at 10% of the issued and paid-up capital of Sif on 3 May 2018 and with regard to the (depository receipts for) shares, for a price between the nominal value of the share and 110% of the average closing price for the 5 trading days preceding the purchase of shares in the company's own capital.

This proposal served to replace the authorization of the Executive Board granted by the General Meeting of Shareholders in 2017 in respect of the 2016 financial year.

Resolution: authorization to purchase (depository receipts for) shares of Sif Holding N.V.

Via the portal, 18,637,644 votes were cast in favor of the resolution, or 73.2%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

The resolution was thereby adopted.

### **7b. Authorization to issue and grant pre-emptive rights on shares**

This item of the agenda related to the proposal as approved by the Supervisory Board to renew the authorization of the Executive Board with regard to issuing shares Sif or granting rights to acquire shares of Sif, for a period of 18 months, from 3 May 2018.

This authorization was limited to:

- i. 5% of the issued and paid-up capital on 3 May 2018;
- ii. an additional 5% of the issued and paid-up capital on 3 May 2018 in connection with acquisitions, mergers, demergers or strategic alliances.

Resolution: renewal of the authorization of the Executive Board to issue shares and grant rights to acquire shares

Via the portal, 18,637,644 votes were cast in favor of the resolution, or 73.2%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

The resolution was thereby adopted.

**7c. Authorization to limit/exclude pre-emptive rights of shareholders under the articles of association**

This item of the agenda related to the proposal as approved by the Supervisory Board to renew the authorization of the Executive Board to limit and/or exclude pre-emptive rights of shareholders under the articles of association. It was proposed to renew this authorization for a period of 18 months, from 3 May 2018.

Resolution: authorization to limit or exclude pre-emptive rights of shareholders

Via the portal, 18,637,644 votes were cast in favor of the resolution, or 73.2%. The chairman proposed to adopt this resolution by acclamation. Did all persons entitled to vote agree with this?

Van Riet voted against the proposal for authorization to limit or exclude pre-emptive rights of shareholders.

The resolution was thereby adopted.

**8. Any other business and close**

The meeting had now reached the last item of the agenda of this meeting, and the chairman was pleased to invite questions under any other business.

Questions:

**Van Riet:** Does the decision taken by Tata Steel and Krupp to merge have any consequences for steel purchasing by Sif?

**Jan Bruggenthijs:** Tata Steel and Krupp are unable to supply the steel that Sif requires.

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**Van Riet:** Is it possible, given the previous positions of some of the members of the Supervisory Board, that Sif will be acquired by Boskalis?

**Chairman:** Such a take-over is not in order at present. The arrival of Mr Wit as a member of the Supervisory Board is no indication whatsoever of any developments of that nature.

The chairman hoped that the organization of the AGM 2018 had been to the satisfaction of the persons who had attended the AGM 2017 and had suggested points for improvement (starting time, location, lighting).

There being no further questions, the chairman closed the meeting, thanking those present for the interest in and commitment to Sif they had shown. Refreshments were available for everyone after the close of the meeting and there would be opportunities to ask questions in smaller groups. The chairman also wished everyone a safe journey home.