

**Minutes of the Annual General Meeting of Shareholders (AGM) of Pepco Group N.V., having its official seat in Amsterdam, the Netherlands, held on 15<sup>th</sup> March 2024 at 13:00 (CET)**

**Chair:** Andy Bond, Chair of the Board of Directors (the Chair) of Pepco Group N.V. (Pepco Group or the Company)

**In-person Attendance:** Andy Bond, Neil Gallowa, Brendan Connolly and Nathalie Habers

**Virtual Attendance:** María Fernanda Mejía, Grazyna Piotrowska-Oliwa, Paul Soldatos Sean Mahoney and Neil Brown

**Secretary:** Ned Staple, company secretary (the Secretary)

**Agenda Item 1: Opening**

The Chair opened the meeting at 13:00 (CET) and welcomed the persons present to the meeting, either in person or virtually. He then invited the Secretary to run through a few technical considerations. The Secretary explained that the webcast was streamed in ‘listen only’ mode. The Board members present were Neil Galloway, Neil Brown, María Fernanda Mejía, Brendan Connolly, Grazyna Piotrowska-Oliwa and Paul Soldatos and they were joined by proposed board member Sean Mahoney.

The meeting was conducted in English, in accordance with the articles of association of the Company and was recorded for the purpose of preparing minutes of the meeting. Shareholders have had the opportunity to submit questions prior to the meeting; no questions were received. The Secretary acted as secretary of the meeting. Tijmen Klein Bronsvort, acting as deputy on behalf of the notary Mr Voogt, was present to oversee the meeting. Furthermore, in accordance with the provisions of the Dutch Corporate Governance Code, Nathalie Habers from Mazars Accountants N.V., the external auditor of the Company, was present to comment on the audit opinion provided on the financial statements. The Secretary notified the meeting that the holders of 476,734,261 shares were present or represented in the meeting, amounting to 83% of the issued capital of the Company on the record date and on the date of the meeting. This represented an equal number of votes. He concluded that the requirements relevant to the convening and holding of the meeting were met and the meeting could validly resolve on the matters put forward on the agenda.

**Agenda Item 2.a: Annual Report and Annual Financial statements for the financial year 2023**

The Chair described how Pepco Group delivered a record financial performance, with its highest ever revenue and EBITDA outturn, alongside the opening of a record number of 668 net new stores across Europe. However, the business failed to meet targets set at the start of the year due to an increasingly challenging customer and macro backdrop that emerged in the second half of the year. There were high inflation and interest rates across core markets, and sales didn’t match first-half performance, which led to a build-up of stock levels and higher costs impacting profitability. The Chair explained how, after Trevor Masters stood down as CEO in September 2023, he stepped into the role at the request of the Board as Executive Chairman. Since taking on the role he has taken steps to reorientate Pepco Group’s management structure and establish a new Group Executive Committee to focus on the delivery of key strategic initiatives and address near-term costs.

The Executive Chairman outlined his priorities at the Capital Markets Day last October 2023, aiming to improve profitability in the core business, while enhancing cash generation in the

delivery of more measured growth. These included: refocusing on customers in the core CEE business; implementing a more targeted growth plan in markets where Pepco already has a presence; and reviewing underperforming areas of the business.

He stressed that the underlying strength of the business model remains intact, and that he is confident that Pepco has the right strategy and leadership team to grow the business in line with future expectations. By rebuilding the health and profitability of the core stores, the foundation will be provided for sustainable and profitable growth in 2024 and beyond. An enhanced emphasis on capital, returns and free cash flow will allow Pepco Group to deliver on the significant opportunities that remain in core markets.

### **Agenda item 2.b: Advisory vote on the 2023 Remuneration Report**

The Chair explained that the remuneration policy is to be presented and brought to vote later in the meeting. The remuneration report details the implementation and execution of the remuneration policy for the Board for the financial year 2023. He invited Brendan Connolly, Chair of the Remuneration Committee, to give a short explanation.

The full Remuneration report can be found in the Annual Report for 2023, on pages 77-81.

In the absence of any questions, the Chair asked the Secretary to share the voting results. The Secretary stated that the results include votes in favour of the proposal, votes against the proposal and votes abstained. According to the statutory regulations, votes abstained are considered non-casted votes. The Secretary showed that in respect of this agenda item there were 1,142,650 abstentions, 29,080,410 votes against the proposal and 446,511,201 votes in favour of the proposal, which means that 93.89% of the votes were cast in favour of the proposal.

### **Agenda item 2.c: Adoption of the Annual Financial Statements for financial year 2023**

The Chair explained that the financial statements were prepared in accordance with Dutch law, and the audit of the Company's financial statements was performed by the external auditor Mazars Accountants N.V. He invited Nathalie Habers to present the findings of Mazars. Nathalie stated that Mazars was engaged to audit the financial year 2023 consolidated financial statements of Pepco Group. She confirmed that the statutory auditor, the audit firm and partners, senior managers and managers conducting the statutory audit, remained independent from the Company in conducting the audit. Mazars' audit procedures were set up to obtain partial control reliance in areas where it deemed control testing relevant for the audit. Otherwise, a full substantive audit approach was used. The materiality, the amount that could potentially influence users of the financial statements, was set at EUR 11.7m, which is based on 7.5% of the net profit before tax. This was lower than in 2022, as the profit before tax of the Company has declined. Mazars' reporting threshold was set at EUR 0.4m.

Mazars used component auditors in several countries to perform the work on local entities. They reviewed all of the auditors' audit files and were involved throughout the audit process in accordance with ISA auditing standard 600. Nathalie identified five significant audit areas, where Mazars, or the component auditors, spent a significant amount of time. These were: risk of fraud in revenue recognition, management override of control, inventory, valuation of goodwill and intangible assets, and the consolidation process. Mazars' auditors report is included in the annual report, starting at page 139.

The Secretary showed that in respect of this agenda item there were 35,149 abstentions, 6,629,959 votes against the proposal and 470,069,153 votes in favour of the proposal, which means that 98.61% of the votes were cast in favour of the proposal. The proposal to adopt the Annual Financial Statements for the financial year 2023 was approved.

#### **Agenda team 2.d: An explanation of the dividend policy**

The Chair invited Neil Galloway to discuss agenda item 2.d. Neil referred to Pepco Group's dividend policy outlined in the IPO Prospectus 2021, which stated that "the Directors intend to commence dividend payments at an appropriate time in the future while maintaining an appropriate level of cover and retaining flexibility for investment opportunities as they arise". This statement sought to balance a number of factors, all based on the foundation of the cash generative quality of Pepco Group, which has been strongly evidenced over time.

Neil described how a weak consumer environment across core markets led to lower revenues and higher inventory. A healthy cash position provides useful protection against the tough trading environment, so the initiation of a dividend remains under evaluation from the Board. The Board will continue to review the timing of an implementation of a progressive dividend policy, while fully exploring opportunities for growth investment.

He concluded by stating that, despite challenging market conditions, the strategic objectives of driving Like for Like sales growth in core markets, targeting more measured growth, making strong progress on recovering gross margin and improving operating cost efficiency gives the Board confidence that Pepco Group can deliver long-term cash flow and value to the shareholders.

The Chair confirmed that no dividend will be paid for the financial year 2023.

#### **Agenda Item 3.a: The discharge of the executive members of the Board in respect of the performance of their duties during the financial year 2023**

It was proposed to release the current and former executive directors from liability in relation to the performance of their duties during this period. The discharge will be granted to the extent that such exercise is apparent from the financial statements over the relevant financial year or otherwise publicly disclosed prior to the adoption of the financial statements.

The Secretary showed that in respect of this agenda item there were 245,458 abstentions, 174,515 votes against the proposal and 476,314,288 votes in favour of the proposal, which means that 99.96% of the votes were cast in favour of the proposal. The proposal to discharge the executive members of the Board in respect of the performance of their duties during the financial year 2023 was adopted.

#### **Agenda Item 3.b: The discharge of the non-executive members of the Board in respect of the performance of their duties during the financial year 2023**

It was proposed to release the current and former non-executive members of the Board from liability in relation to the performance of their duties during this period. The discharge will be granted to the extent that such exercise is apparent from the financial statements over the relevant financial year or otherwise publicly disclosed prior to the adoption of such financial statements.

The Secretary showed that in respect of this agenda item there were 245,458 abstentions, 174,515 votes against the proposal and 476,314,288 votes in favour of the proposal, which means

that 99.96% of the votes were cast in favour of the proposal. The proposal to discharge the non-executive members of the Board in respect of the performance of their duties during the financial year 2023 was adopted.

**Agenda item 4.a: Authorisation of the Board to have the Company acquire up to 10% of the ordinary shares in its own capital**

This was detailed in the agenda and explanatory notes.

The Secretary showed that in respect of this agenda item there were 3,701 abstentions, 6,349,511 votes against the proposal and 470,381,049 votes in favour of the proposal, which means that 98.67% of the votes were cast in favour of the proposal. The proposal to authorise the Board to have the Company acquire up to 10% of the ordinary shares in its own capital was adopted.

**Agenda item 4.b: Authorisation of the Board to issue or grant rights to subscribe for up to 10% of the ordinary shares in the Company's capital and to restrict or exclude related pre-emptive rights for a term of 18 months**

This was detailed in the agenda and explanatory notes.

The Secretary showed that in respect of this agenda item there were 0 abstentions, 15,747,330 votes against the proposal and 460,986,931 votes in favour of the proposal, which means that 96.70% of the votes were cast in favour of the proposal. The proposal to designate the Board as the competent body to issue up to 10% ordinary shares in the Company's capital, including the rights to subscribe for shares, and to restrict or exclude related pre-emptive rights was adopted.

**Agenda item 5: Cancellation of ordinary shares in the share capital of the Company as may be held by the Company from time to time**

This was detailed in the agenda and explanatory notes.

The Secretary showed that in respect of this agenda item there were 0 abstentions, 0 votes against the proposal and 476,734,261 votes in favour of the proposal, which means that 100% of the votes were cast in favour of the proposal. The proposal to cancel ordinary shares in the share capital of the Company as may be held by the Company from time to time was adopted.

The Chair then continued with the voting on sub-items under agenda item 6. He explained that the membership of the Board was reviewed by the Company's Nomination Committee, which concluded that the appointments provide the combined experience, expertise, background and independence to effectively carry out the Board's duties and responsibilities to the Company and its stakeholders. The explanatory notes to the agenda contained information on each of the proposed nominees.

**Agenda item 6.a: Appointment of Sean Mahoney as a non-executive member of the Board for a term of three years**

There were 7,387,823 abstentions, 3,955,281 votes against the proposal and 465,391,157 votes in favour of the proposal, which means that 99.61% of the votes were cast in favour of the proposal.

**Agenda item 6.b: Re-appointment of Neil Brown as a non-executive member of the Board for a term of three years**

There were 7,387,821 abstentions, 18,999,349 votes against the proposal and 450,347,091 votes in favour of the proposal, which means that 95.95% of the votes were cast in favour of the proposal.

**Agenda item 6.c: Re-appointment of María Fernanda Mejía as a non-executive member of the Board for a term of three years**

There were 7,488,580 abstentions, 10,286,202 votes against the proposal and 458,959,479 votes in favour of the proposal, which means that 97.81% of the votes were cast in favour of the proposal.

**Agenda item 6.d: Re-appointment of Brendan Connolly as a non-executive member of the Board for a term of three years**

There were 7,387,822 abstentions, 9,426,980 votes against the proposal and 459,919,459 votes in favour of the proposal, which means that 97.99% of the votes were cast in favour of the proposal.

**Agenda item 6.e: Re-appointment of Grazyna Piotrowska-Oliwa as a non-executive member of the Board for a term of three years**

There were 7,387,820 abstentions, 4,758,401 votes against the proposal and 464,588,040 votes in favour of the proposal, which means that 98.99% of the votes were cast in favour of the proposal.

**Agenda item 6.f: Re-appointment of Paul Soldatos as a non-executive member of the Board for a term of three years**

There were 7,387,821 abstentions, 20,162,662 votes against the proposal and 449,183,778 votes in favour of the proposal, which means that 95.70% of the votes were cast in favour of the proposal.

All the proposals to appoint or re-appoint non-executive members of the board were adopted.

**Agenda item 7: Proposal to re-appoint Mazars Accountants N.V. as the Company's external auditors for the financial year 2024**

The Secretary showed that in respect of this agenda item there were 0 abstentions, 0 votes against the proposal and 476,734,261 votes in favour of the proposal, which means that 100% of the votes were cast in favour of the proposal. The proposal to re-appoint Mazars Accountants N.V. as the Company's external auditors for the financial year 2024 was approved.

**Agenda item 8: Amendments to the Long-term incentive plan (LTIP) of the Company, as approved by the general meeting in 2022**

The Chair invited Brendan Connolly to provide a brief explanation.

Brendan explained that the rationale was contained in the agenda and its explanatory notes, and that the Board believed that this amendment to the LTIP was necessary to allow for greater flexibility and to bring the plan in line with current market practice.

The Secretary showed that in respect of this agenda item there were 0 abstentions, 31,878,603 votes against the proposal and 444,855,658 votes in favour of the proposal, which means that 93.31% of the votes were cast in favour of the proposal. The proposal to amend the LTIP of the Company was approved.

#### **Agenda item 9: Amendments to the Company's Directors' Remuneration Policy**

The Chair invited Brendan Connolly to remark on the proposal.

Brendan referred to the agenda and explanatory notes for full details but highlighted that the changes were proposed to reflect the time and effort spent by the non-executive directors in their role and as members of the various committees on which they sit.

The Secretary showed that in respect of this agenda item there were 6,251,417 abstentions, 28,362,841 votes against the proposal and 442,120,003 votes in favour of the proposal, which means that 93.97% of the votes were cast in favour of the proposal. The proposal to amend the Company's Directors' Remuneration Policy was approved.

#### **Agenda item 10: Closing**

The Chair continued and concluded that there were no other questions or other items to discuss under "Any other business". The voting results of the meeting were published on the website, shortly after the meeting. He stated that the draft minutes of the meeting will be available on the Company's website at the latest three months after the date of the meeting. After this date, shareholders have another three months to submit their comments prior to the adoption of the minutes. The Chair closed the meeting at 13:20 CET.