SUMMARY OF THE DISCUSSION AT THE
ANNUAL GENERAL MEETING OF SHAREHOLDERS OF SIGNIFY N.V.
HELD ON MAY 19, 2020 IN EINDHOVEN, THE NETHERLANDS

Start of the meeting: 14:00 CET

Chairman: Arthur van der Poel

Opening

The Chairman welcomes all participants to the webcast of the annual general meeting of shareholders of Signify N.V. and opens the meeting. In view of the coronavirus and in accordance with the Dutch emergency legislation, shareholders were only allowed to attend this meeting virtually. Shareholders were invited to vote by proxy and could submit questions by email prior to the meeting, and follow up questions during the meeting.

The Chairman introduces the members of the Board of Management and Supervisory Board who are physically present at the meeting, the secretary of the meeting, the notary public and the external auditor from EY. The other (nominee) members of the Board of Management and Supervisory Board follow the meeting via the webcast.

The Chairman indicates that the voting results for each of the voting items will be presented at the end of this meeting. The Chairman addresses some practicalities.

1. Presentation by CEO Eric Rondolat

The Chairman invites CEO Eric Rondolat to give his presentation. The full text of the speech of Mr. Rondolat is published on the company's website: link.

After the presentation of the CEO, the Chairman explains that the first agenda items are closely connected and for that reason he suggests discussing questions received in relation to these items together, after the presentations.

2. Remuneration report 2019

The Chairman explains that the remuneration report is included as a chapter in the Annual Report 2019. The remuneration report has been slightly adjusted to conform with the recently implemented revised European shareholders rights directive. The remuneration report discusses the remuneration report of the Board of Management and of the Supervisory Board as well as the implementation thereof in 2019.

The Chairman gives the floor to the chairman of the Remuneration Committee, Gerard van de Aast, to discuss some key elements of the remuneration report 2019.

Mr. Van de Aast explains that the remuneration of Signify's Board of Management consists of three elements: base salary, an annual incentive, and a long-term incentive with a three-year performance period.

In 2019, the base salary of the Board of Management increased with 2.5%.

The annual incentive has a few components. For 2019, three components are of a financial nature: comparable sales growth, adjusted EBITA and free cash flow. The fourth component is of a personal nature, consisting of joint team targets and some targets that are set individually.

The long-term incentive for 2019 was still under the original plan having three performance measures: relative TSR, free cash flow and sustainability.

Mr. Van de Aast refers to slide 23 showing the result for the 2019 annual incentive. In view of the company's performance, there is no pay-out based on comparable sales growth. For adjusted EBITA, there is a pay-out of 50%. The company had a good free cash flow performance, resulting in the maximum pay-out of 200%. Team and individual performance are valued at 100%. In aggregate, this means a realization of 75% of the at target annual incentive and a corresponding pay-out (60% of the base salary for the CEO and 45% of the base salary for the other members of the Board of Management).

The long-term incentive has a three-year performance period. In 2020, it was for the first time that a three-year performance period was completed. This means that the first awards under the long-term incentive plan that were granted in 2017 with the performance years 2017, 2018 and 2019, now vested. Slide 24 shows the result for the 2017 long-term incentive grant. The result for total shareholder return is 100%. Free cash flow over three years results in an 80% achievement. On sustainability, the maximum of 200% is achieved. In aggregate, this results in a pay-out of 112% of the at target long-term incentive.

Slide 25 summarizes the remuneration of the members of the Supervisory Board. There have been no changes in this remuneration.

3. Explanation of the policy on additions to reserves and dividends

The Chairman thanks Mr. Van de Aast and gives the floor to CFO René van Schooten to explain the company's policy on additions to reserves and dividends.

Mr. Van Schooten highlights that Signify will continue to exercise strict financial discipline in the generation and use of cash. As part of its capital allocation policy, Signify focuses on the generation of free cash flow and on maintaining a robust capital structure. The company's priority remains deleveraging to support and to maintain an investment grade rating. The company will continue to use cash to invest in its business and in addition, to prioritize deleveraging to reduce debt. As Signify's focus is on integrating Cooper Lighting and delivering synergies, future acquisitions have a lower priority.

Signify's dividend policy is aimed at paying a stable to increased dividend per share. To ensure continued resilience during this period of market uncertainty and to strengthen the company's financial position, the company withdrew the proposal to pay a dividend of EUR 1.35 per share. Once market conditions stabilize, Signify will revisit its capital allocation to shareholders.

Mr. Van Schooten then discusses the net debt development in 2019. The cash level at year-end 2019 was EUR 847 million. The company's gross debt was EUR 1,465 million. This includes term loans of EUR 740 million and USD 500 million. The company refinanced these for the same amounts in January 2020. Signify's gross debt figure increased by EUR 259 million as a result of the implementation of IFRS 16. Net leverage, calculated as net debt over reported EBITDA, was 0.9x at year-end 2019. The company has additional liquidity via its revolving credit facility of EUR 500 million. The net debt amounted to EUR 618 million at year-end 2019, which is an increase of EUR 29 million compared to year-end 2018. Signify generated EUR 529 million of free cash flow during 2019, paid EUR 162 million in dividend and paid a net amount of EUR 80 million in acquisitions.

Since the year-end, Signify restructured its debt that it had since the IPO. This concerns the IPO term loans whereby the debt is replaced by two new term loans with a maturity of 3 and 5 years, respectively, for the same amounts of, in aggregate, EUR 740 million and USD 500 million. Recently, Signify accessed the Eurobond market. The proceeds of these bonds were used to repay the bridge financing for the Cooper Lighting acquisition. It was done by a EUR 675 million bond with a maturity of 4 years and a EUR 600 million bond with a maturity of 7 years.

Mr. Van Schooten addresses one of the general points of attention of the Shareholders Association (*Vereniging van Effectenbezitters*, VEB). The VEB calls upon listed companies to apply the annual transparency as is provided in the annual figures also in the upcoming semi-annual figures, including liquidity forecasts, financing and outlook as well as the tenability of goodwill and provisions. The VEB emphasizes the importance of the auditor examining this information and of the auditor issuing an opinion for the semi-annual figures. The VEB also asks the auditor to issue a new continuity statement on the basis of the semi-annual figures. Mr. Van Schooten explains that the company's external auditor Ernst & Young, LLP (EY) is involved in the company's audit process throughout the entire year. EY is in weekly contact with the company. EY is involved in the company's quarterly and semi-annual financial publications, for example by studying the consolidated quarterly information before publication, and by asking senior management about specific topics. Each quarter, EY discusses its findings with the CFO, Board of Management and Audit Committee. Signify believes that the risks underlying VEB's question are sufficiently addressed. Therefore, the company does currently not see a need to obtain an external auditor's opinion or continuity statement in relation to our semi-annual results.

4. Financial statements 2019, and

5. Discharge of members of the Board of Management and the Supervisory Board

The Chairman makes a couple of introductory comments on the annual report 2019: The report, including the financial statements, has been made available for inspection at the company's office and has been published on its website at the end of February. The annual report combines the financial statements and the sustainability statements in a single report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been audited by EY, which firm is represented at this meeting by Mr. Jonker as the audit partner. The Chairman gives Mr. Jonker the floor.

Mr. Jonker notes that he is the company's auditor since 2016 and that this is the fourth time that he addresses the Annual General Meeting of Shareholders. Mr. Jonker states to have given a combined unqualified auditor's opinion for both the financial statements and the sustainability statements for 2019.

The audit plan for the fourth audit year was agreed with the Audit Committee and the Board of Management in April 2019. For the audit, a materiality threshold of EUR 25 million was applied, based on the results before taxes adjusted for incidentals. The materiality indicates the threshold for differences in the figures that EY regards acceptable. The threshold for reporting any audit differences to the company's Audit Committee was set at EUR 1.25 million.

Mr. Jonker explains how EY organized the audit activities: As the company's accountant, he decided on the scope of the activities, and instructed the local teams on the nature and depth of the activities to be performed. EY selected 39 components in 16 countries. There was regular contact with the local teams via telephone conference and there have been several visits to the main locations. Mr. Jonker himself has been to China and the U.S.

Mr. Jonker addresses this year's key audit matters included in the auditor's report, which were revenue recognition, valuation of goodwill and the valuation of deferred tax assets. The key assurance matters for the sustainability information were the reporting criteria for sustainable revenues and the estimates and assumptions in determining the reduction of CO2 emissions as presented in the value creation model. The audit approach for these matters has been further explained in the audit report.

In testing the internal controls and automated data processing systems, EY did not identify any important findings.

In its risk analysis, EY must take into account the risk of material differences as a result of fraud, whereby it specifically looks for signs of fraud and an adequate follow-up thereof. For the audit of Signify, EY used forensic accountants in the risk identification and performance of activities.

EY assessed the management report. This year, EY specifically paid attention to the implementation of the European shareholders rights directive and the impact on remuneration reporting, which is a new legal requirement. EY concluded that the management report meets the requirements.

As part of the audit, EY has contact with the company every week. Each quarter, EY discusses its findings with the CFO, the Board of Management and the Audit Committee. In 2019, it met with the Audit Committee six times, and also without the Board of Management being present. Throughout the year, EY was in contact with the Audit Committee also outside the regular formal meetings.

Mr. Jonker makes a remark on COVID-19. Based on its audit, it reached the conclusion that at the time of issuing the audit opinion on February 25, 2020, the management assumptions and explanations provided on the basis of the then available information, were acceptable. After preparing the annual financial statements, obviously a situation can arise that the company could not have or had no reason to take into account in preparing the financial statements. The further spread of the corona virus and the impact on Signify currently has the management's attention and EY will take this into account in assessing the management assumptions.

Mr. Jonker concludes that the fourth audit year has been successfully concluded.

The Chairman thanks Mr. Jonker and then continues to the questions that were received prior to the meeting. Signify received question from the Association of Investors for Sustainable Development (*Vereniging voor Beleggers voor Duurzame Ontwikkeling*, VBDO), the VEB, Triodos Investment Management that is also representing Eumedion during this shareholders meeting (Triodos/Eumedion) and APG Asset Management (APG).

Triodos/Eumedion notes that the closure of the Cooper acquisition unfortunately coincided with the global outbreak of the COVID-19 virus. It states that while the increased leverage following the acquisition looked manageable in the pre-COVID-19 world, it could bring challenges in the current environment. Triodos/Eumedion has two questions. Firstly, Triodos/Eumedion asks whether Signify will need to take additional measures to lower leverage. Secondly, it asks what level of leverage Signify feels comfortable with at this point and how long it thinks it needs to get to this level.

To the first question Mr. Van Schooten explains that Signify has implemented a range of measures to safeguard cash flow, including rigorous working capital management, a curtailment of uncommitted and non-essential capital expenditure, and the withdrawal of the dividend proposal. Signify is accelerating and extending mitigating measures, including: (a) the Supervisory Board and Leadership Team took a 20% pay cut for Q2, (b) a significant part of Signify's employees voluntarily supported a 20% worktime reduction and pro rata pay adjustment for a period of three months, (c) a six months-delay in merit increases, where possible, and (d) an external hiring freeze. The company is closely monitoring the situation and will take additional measures if required. Mr. Van Schooten indicates that the company's liquidity is strong, with a cash position of EUR 924 million at the end of Q1 2020, and that Signify's focus remains on maintaining a robust capital structure and on its policy to prioritize future deleveraging.

To Triodos/Eumedion's second question, Mr. Van Schooten responds that the company aims to bring leverage below 1x net debt / EBITDA, to support its commitment to an investment grade credit rating.

Triodos/Eumedion asks whether, as a result of the higher leverage, it may be more difficult for the company to obtain additional liquidity.

Mr Van Schooten responds that the company's liquidity is strong, with a cash position of EUR 924 million at the end of Q1 2020. In addition, Signify has a new committed EUR 500 million multi-currency revolving credit facility (RCF) with a maturity of five years (January 2025), with the option to extend it twice by one year at the end of the first and second anniversary. To date, Signify has not drawn any amounts under the revolving credit facility. The company has recently accessed the Eurobond market and had significant investor demand for Signify in the bond market opening a new avenue for accessing liquidity.

The VEB asks whether Signify performed scenarios and stress tests as a result of the coronavirus pandemic, and if so, what is the expected impact on adjusted EBITA, free cash flow, liquidity, and solvability.

Mr. Van Schooten answers that Signify has worked out different scenarios and stress-tests as a result of the Corona virus pandemic. Considering the uncertainty about the future course of the pandemic, and the length and depth of the impact on the global economy, Signify does not comment on the expected impact on our financial metrics.

The VEB observes that net debt amounts to 1.8 billion euros, or 2.7x EBITDA, and that Signify needs to maintain a net leverage ratio of no higher than 3.5x (or up to 4x in the 12 months after acquiring Cooper). The VEB ask whether Signify is worried that it might breach its bank covenants given the deterioration in EBITDA. The VEB also asks whether in a worst-case scenario perceived by Signify, the covenants would be breached.

Mr. Van Schooten answers that Signify's covenant does currently not apply as Signify has two investment grade ratings. Signify has worked out different scenarios and taken appropriate actions required to limit the impact on profitability and cash flow and to adapt fast. Even in a stretched situation it does not anticipate breaking the covenant. The company is confident in the underlying resilience and cash flow generating capabilities of its businesses and operating model. The company's focus remains on maintaining a robust capital structure and on our policy to prioritize future deleveraging to support our investment grade credit rating position.

The VEB notes that the valuation of goodwill is a key audit matter. It states that the key assumptions for the Professional segment were downwardly adjusted (initial, extrapolation and terminal value period), though that these adjustments did not result in an impairment of goodwill. The VEB has three questions in relation hereto. Firstly, the VEB asks whether the company can explain why the adjustments did not result in an impairment of goodwill. Secondly, the VEB asks whether, due to the adverse market conditions, initial growth will likely be lower in the next year or years and what is the risk of an impairment. Thirdly, the VEB observed that Signify notes that for the Professional segment "a reasonably possible change in key assumptions" will not lead to a recoverable amount below the carrying value. The VEB wishes to know what exactly is meant by "a reasonably possible change".

In response to the first question, Mr. Van Schooten explains that overall, there was no impairment identified in the impairment test in 2019 as the combined input of all variables, including the mentioned compound sales growth rate, showed significant headroom. It is Signify's view that the changed approach on the terminal growth rate in the 2019 model is more in line with market practices. Furthermore, as disclosed, there was no significant impact on the headroom from this change in the approach of calculation of the long-term growth rate.

In response to the VEB's second question, Mr. Van Schooten explains that as part of the Q1 2020 close procedures, the company performed an analysis which did not indicate an impairment. It should be noted that there are significant uncertainties in the current economic environment. The company will continue to monitor the COVID-19 situation and continue to update its impairment analysis based on the then most recent information and forecasts.

In response to the VEB's third question, Mr. Van Schooten clarifies that "a reasonably possible change" in key assumptions is derived from the accounting standard IAS 36. It means that the company, based on the information available, does not foresee any realistic change to lead to an impairment. Only an extreme scenario (not considered reasonably possible) will lead to a level of zero headroom (break-even) or even an impairment.

The VEB notes that Signify has a number of defined-benefit pension plan (Germany, United States and other countries). The VEB states that as a consequence of increasing liabilities and lower assets returns due to market turmoil, the funding status is likely deteriorating. The VEB asks for an update to shareholders on the expected cash outflows given the market changes in 2020.

Mr Van Schooten explains that the impact of the current market turmoil on the net liability position is relatively small. If the liabilities would be remeasured at the end of April, their values would be at a similar level as at the beginning of the year before the COVID-19 crisis started. The company's largest funded pension plan is in the U.S. This plan did not suffer an investment loss thanks to a well-diversified investment portfolio and interest hedge.

APG has three questions in relation to the Cooper acquisition. Firstly, it requests why the net debt to EBITDA ratio at closing of 2.0x which was communicated on October 15, 2019 was so different from the net debt to EBITDA ratio of over 2.7x that the company reported at the end of Q1 2020. Secondly, APG indicates that as Signify targets to lower its net debt to EBITDA ratio to below 1x within three years, and net debt being at EUR 2bn at the end of Q1 2020, this suggests a free cash flow generation of over EUR 500m per annum. Thirdly, APG asks whether the additional sales of Cooper Lighting will become eligible to the royalty payments Signify has to pay to Philips every year.

In response to APG's first question, Mr. Van Schooten explains that the net debt to EBITDA ratio at closing of around 2x which was communicated on October 15, 2019, was based on pro-forma results, and including 12 months EBITDA from Cooper. At the end of Q1 2020, the company's net debt to EBITDA ratio was 2.7x and included only one month of EBITDA from Cooper Lighting as Signify successfully completed the acquisition on March 2, 2020.

To APG's second comment, Mr. Van Schooten states that the company does not comment on specific assumptions. Considering the uncertainty about the future course of the pandemic, and the length and depth of the impact on the global economy, Signify does not provide financial guidance at this point in time.

To APG's third question, Mr. Van Schooten clarifies that payments under the trademark license agreement with Philips are contractually limited to products which are sold as Philips branded. Products sold by Cooper Lighting do not fall under this contract as they are not sold as Philips branded.

Triodos/Eumedion states that a competitor has suggested that the Cooper acquisition will create unrest among the agent networks in the U.S. resulting in the loss of market share, and asks how Signify views this risk.

Mr. Rondolat comments that the agent networks are very important in Signify's go-to markets in the U.S. and Canada. In making the acquisition of Cooper Lighting, one of the key integration principles is that the existing parts of Signify and Cooper Lighting will maintain their front offices independent so the company will not disrupt the respective agent networks. Mr. Rondolat states to believe that this principle is mitigating the risk mentioned in the question.

The VEB asks about Signify's market position in the professional lighting market in the U.S. after the Cooper Lighting acquisition.

Mr. Rondolat responds that through the acquisition, Signify has significantly expanded its position in the attractive North American professional fixture lighting market and the company is now the number two player in this market.

APG has some questions about the acquisition of Klite. Firstly, APG asks whether the company was in financial distress when it was acquired and whether it had to be rescued in order to safeguard supply to Signify. Secondly, APG indicates that as Klite is a large acquisition, it should have been communicated in a better way. APG would also like to get a better understanding of the price paid and clarification of the implied valuation.

To these questions, Mr. Rondolat clarifies that Klite was not in financial distress and did not have to be rescued in order to safeguard its supply to Signify. Klite was a relatively small supplier of Signify in China. Signify has communicated its strategic rationale. This was an important strategic acquisition because it makes Signify less dependent on its supply base in China. By bringing some of the volumes that Signify has with other suppliers to Klite, Signify is consolidating the margin. At the same time, Klite offers access to the private label market and making Signify more competitive in doing so. Signify does not disclose the purchase price; it complied with Signify's return on investment metric.

The VEB has two questions about R&D. The VEB notes that the company spent less on R&D in 2019, and states that innovation capabilities and R&D investments important for Signify to differentiate itself from competitors. Firstly, the VEB asks whether Signify is confident that it spends enough on R&D to stay at the forefront of technological developments. Secondly, the VEB asks how Signify measures the efficiency of its R&D spending and whether specific financial metrics are used.

To the VEB's first question, Mr. Rondolat responds that in 2019, Signify invested 4.5% of sales in R&D. In doing so, the company spends much more on R&D compared to other lighting companies. Signify has continued to bring pioneering technology to the market, not only in terms of systems for professional or consumers but also horticulture, 3D printing, LiFi and solar; this illustrates Signify's innovation leadership.

To the VEB's second question on R&D, Mr. Rondolat explains that Signify uses many different metrics, which are determined at a project-by-project basis. Metrics include the project's achievement on the originally planned time, the spending compared to the original budget, and the achievements of the business plan one year after commercialization compared to what was originally presented.

The VEB refers to the comparable sales growth decline in the Business Group Lamps, and Signify's "last man standing" strategy to continue rationalizing the manufacturing footprint and reducing operational costs. The VEB asks how much further Signify can continue the rationalization of it manufacturing footprint, and when it expects the last redundant factory to be closed.

Mr. Rondolat reminds that in 2008, the company had 45 factories. At the end of 2019, it had 13 manufacturing plants for conventional lamps. The company has thus been very pro-actively adapting its footprint to the market. Mr. Rondolat believes that going forward, the company has the flexibility to continue adapting to future changes.

The VEB asks how likely it is that Signify's Home segment could continue to deliver strong growth and become a meaningful profit driver for the group.

Mr. Rondolat responds that in 2019, Home reported 11.3% comparable sales growth with a positive adjusted EBITA margin of 3.8%. In 2019, Home was therefore contributive from a top line perspective, and its profitability saw a relatively large increase in 2019 compared to 2018 when the profitability was negative. Signify believes in the Home business, where it has a very strong leadership position. In 2019, Home showed it can deliver growth and profitability and Signify believes that its Home segment is a meaningful profit driver in the future for the group.

The VEB notes that Signify is protecting its liquidity position by withdrawing its dividend proposal, curtailing capex, while the Supervisory Board and leadership team took a 20 percent salary reduction for Q2. Firstly, the VEB asks about the 20% voluntary worktime reduction of our employees and the pro-rata pay adjustments, and whether we stick to the plan as some labor unions are protesting. Secondly, the VEB asks whether Signify has made use of the NOW government compensation scheme and, whether Signify would make a new request if and when the NOW-scheme per 1st of July is extended.

To the VEB's first question, Mr. Rondolat responds that the scheme of a 20% worktime and pro rata salary reduction has been successful as 85% of our employees voluntarily participated, the vast majority of whom to the full extent. Signify has been in close consultation with the central works council and has had very positive and constructive discussions with the unions who wanted to make sure that this plan will be fully compliant with the labour agreements, which Signify has ensured together with them.

To the VEB's second question, Mr. Rondolat responds that after careful consideration and study of the conditions of this program, Signify has decided not to apply to the NOW program in the Netherlands.

Triodos/Eumedion refers to Signify's employees and the Board of Management taking a (temporary) cut in pay as a result of COVID-19. Triodos/Eumedion notes that it appreciates this gesture and that it has some questions about this. Firstly, Triodos/Eumedion asks how Signify will decide about potential prolonging of voluntary worktime reduction and pro-rate pay adjustment after Q2 2020. Secondly, it wishes to know whether the pay cuts will have an impact on variable compensation. Thirdly, Triodos/Eumedion asks whether variable compensation for the Board of Management will be waived if Signify applies for state aid. Fourthly, Triodos/Eumedion seeks a clarification on which share price will be used to calculate the number of shares members of the Board of Management are entitled to for the 2019 LTIP, given current volatility in the share price.

To Triodos/Eumedion's first question, Mr. Rondolat clarifies that for the Supervisory Board and Signify's Leadership Team, the measure involved a pay cut. For the rest of the population, it was a voluntary scheme of worktime reduction and pro rata pay adjustment. Signify targeted Q2 because in this quarter, there was an overlap in the three waves of countries that are impacted by COVID-19: the countries in Asia (wave one), the countries in Europe (wave two) and the Americas (wave three), and therefore Signify decided to act on Q2. Signify has not yet made a decision on possible future actions.

To Triodos/Eumedion's second question, Mr. Van de Aast responds that the pay cuts and the voluntary pro rata pay adjustments will not affect the variable compensation, as has been agreed for the full Signify staff participating. However, it will be more difficult to achieve the targets that were set before the COVID-19 crisis.

To Triodos/Eumedion's third question, Mr. Rondolat notes that this is already addressed in the answer to one of the VEB's questions; Signify will not apply for the NOW state aid in the Netherlands.

To Triodos/Eumedion's fourth question, Mr. Van de Aast clarifies that, based on the existing long-term incentive plan, the number of performance shares and/or conditional shares is determined by dividing the long-term incentive award value by the three months average closing share price preceding the grant date. The grant date is the business day after this meeting. There have been quite a variety in the share price in the past three months; the average of the closing prices during that period determines the number of shares.

Triodos/Eumedion has a question about the report from the Audit Committee and whether it could provide more disclosure of its activities. In particular, Triodos/Eumedion would like to know the key findings from the evaluation of the functioning of the external auditor.

Mr. Van de Aast responds that Signify has an annual process in place for this evaluation. Also in 2019, the Audit Committee evaluated the functioning of the external auditor. This was important in particular this year, as Signify has to decide on whether to extend the engagement with EY or to start a tender process. The company has had a number of interactive sessions with EY to discuss on how to even further improve the efficiency and effectiveness of the external audit. The outcome of this exercise has led to the proposal for re-appointment of EY for the period 2020-2022. As a result, EY changed the composition of the team, increased the usage of data analytics and enhanced the coordination of the statutory audits.

The VEB read that 2019, the Supervisory Board had in-depth sessions to review and discuss developments in specific markets such as the Kingdom of Saudi Arabia and India, and asks whether Signify can you share some background on these specific discussions in Saudi Arabia and India.

Mr. Van der Poel responds that based on in-depth presentations on the developments in those geographies, these particular businesses as well as macro-economic developments and their impact on Signify were discussed. In these sessions the following were specifically addressed: (1) the challenging market conditions that Signify faced in these geographies, (2) local and central actions which are taken to address these conditions, and (3) longer term projections. Without going in further detail, Mr. Van der Poel notes that it shows that Signify's Supervisory Board is closely involved in Signify's business developments and provides support and advice on such matters.

The VEB refers to the operations in Saudi Arabia, which the auditor included as a key audit matter in 2017. The VEB asks whether improvements have been made in this area and if any remediations were effectuated in 2019.

Mr. Rondolat responds that in the risk chapter of the Annual Report 2017, it was mentioned that Signify in respect of its operations in Saudi Arabia, is working on the remediation of weaknesses identified during the internal review. In the Annual Report 2017 this matter was also mentioned as key audit matter in the auditor's report. In the Annual report 2018, Signify mentioned that in respect of the operations in Saudi Arabia, the company continued to work on the remediation of weaknesses identified during the internal review. Improvement has been made on overall governance and risk management, which is evidenced by a positive internal audit report in 2018. As a result of the mentioned improvements, this item was no longer included as key audit matter in the auditor's report of 2018. The measures mentioned in 2018 continue to be effective in 2019, and compared to 2018 there are no relevant updates to report.

VBDO compliments Signify as being one of the first companies committing to 1.5°C-aligned emission reduction targets, and also with its efforts to reduce its own carbon footprint and the carbon footprint of its suppliers as well. It notes that next to the important goals for CO_2 emissions, recycling and renewable sources, Signify describes various technologies and tools for climate adaptation (for example, lighting used for horti and aquaculture, animal centric lighting and lighting in water and air purification products). VBDO states that food and water availability depend heavily on the global warming trajectory that the world faces in the years to come. VBDO asks whether Signify could provide insights into the potential contribution of the company's products on the availability of food and clean air and water.

Mr. Rondolat responds that advances in agriculture are needed to increase food availability; 35% more food is assessed to be needed by 2030, while at the same time 25% of the people experiences food insecurity. Signify's lighting solutions increase food availability and enable more sustainable food production through higher yields, quality and nutritional values. Signify's solutions reduce environmental impact, with less dependency on the external climate compared to conventional agriculture. For example, 40% lower CO_2 for greenhouses with LED, less food miles, food waste and 90% less water use in vertical farming. When it comes to air and water, Signify's UV-C lamps disinfect water as well as air and surfaces.

VBDO states to recognize Signify as a best practice in supply chain management and compliments the company on transparently disclosing information to its stakeholders. Additionally, VBDO indicated that it is pleased to read that Signify reached its set target, by maintaining a Supplier Sustainability Performance target of 90% in 2020. VBDO is very interested in innovative and pro-active measures for improving labor conditions in the supply chain. VBDO asks whether in next year's annual report, Signify can explain in more detail how it is collaborating with other companies that are member of the Responsible Business Alliance (RBA) contributing to improving labor conditions in the supply chain, and whether Signify is planning to communicate new targets to further improve labor conditions of the company's supply chain.

Mr. Rondolat responds that Signify is auditing many of its suppliers, with a 99% performance for its risk suppliers in 2019. Signify audits not only tier-1 suppliers but sometimes also tier-2 or tier-3 suppliers with whom Signify has a contract. Signify regularly shares with other RBA members not only the processes and methods of the audits but also the results of the audits. Signify also partners to reach deeper supplier tiers. For instance, Signify formed the Fair Cobalt Coalition with RBA member Fairphone to improve labor conditions for small-scale cobalt mines. In its 2025 program, Signify will further strengthen targets on social impact for our supply chain.

VBDO notes that Signify created a Diversity and Inclusion Board to discuss current policies as well as to implement new initiatives and review progress, and that Signify recognizes the global need for a better balance in generational diversity and gender diversity. VBDO however notes that the implementation of more of women in leadership roles is progressing slowly, and asks about the measures to realize the target of at least 30% women in leadership roles in 2025. It also asks whether Signify is willing to analyze the gender pay gap for the company's workforce and report on this in the annual report 2020.

Mr. Rondolat responds that gender diversity has remained flat over the past three years, making it an area of attention. Signify is therefore increasing its efforts here through its Diversity and Inclusion Board, Women4More program, succession planning and mentoring programs. Signify is committed to equal pay for equal work. In 2019, Signify did a pay equity analysis by country: gender, function and grade for 25,000 employees in 79 Countries and 3,000 different groupings. Signify did not find any statistically significant disparity in pay.

The Chairman indicates that these were the questions relating to agenda items 1 through 5.

6. Composition Board of Management

The Chairman explains the proposed re-appointments of Mr. Rondolat and Mr. Van Schooten as members of the Board of Management. In addition, the Chairman explains that the Supervisory Board, after consultation with the Board of Management, has made a binding nomination to appoint Ms. Mariani as a member of the Board of Management for a period of four years. The Chairman refers to the explanatory notes to the agenda for more details on the proposed re-appointments and appointment to the Board of Management.

The Chairman highlights that Mr. Van Schooten has temporarily taken over the role of CFO from Mr. Rougeot when he left Signify. The Chairman notes that Mr. Rougeot left the company for personal reasons and that Signify is very grateful for his dedication and commitment to the company and his contribution to the transformation process. When Signify has found a successor, it will announce this as usual.

The Chairman invites Ms. Mariani to introduce herself via a pre-recorded video message.

The Chairman notes that no questions have been received in relation to this agenda item.

7. Composition Supervisory Board

The Chairman explains the proposed re-appointments of the current members of the Supervisory Board, Ms. Lane and the Chairman himself, Mr. Van der Poel, as well as the proposed appointments of two new members to the Supervisory Board, Mr. Lubnau and Ms. Knapp. The Chairman refers to the explanatory notes to the agenda for more details on these proposed re-appointments and appointments. The Chairman explains that in relation to the re-appointments and appointments, the Supervisory Board takes into account its desired board profile, including its diversity policy and the desired expertise and experience.

The Chairman invites Mr. Lubnau and Ms. Knapp to introduce themselves via pre-recorded video messages.

For the re-appointment of the Chairman, the Vice-Chairman Mr. Van de Aast, temporarily takes over the chair, and he explains the proposed re-appointment of Mr. Van der Poel. The Vice Chairman refers to the explanatory notes to the agenda for more details on this proposed appointment. He furthermore highlights the annual evaluation of the Supervisory Board, also supporting this re-appointment, more details of which can be found in the annual report. The Vice Chairman hands back the chair to the Chairman.

The Chairman states that no questions have been received in relation to this agenda item. However, at the request of the VEB, the Chairman shares the VEB's comment on the proposed appointment of Ms. Knapp: The VEB believes that, in view of the scope and complexity of the other companies where Ms. Knapp holds positions, it is not desirable that Ms. Knapp will also join Signify's Supervisory Board. The Chairman remarks that since last week, Ms. Knapp is no longer a member of the supervisory board of Bekaert. Consequently, in addition to the proposed appointment with Signify, she currently holds three supervisory board positions.

The Chairman notes that one of the VEB's general points of attention that the VEB requested to address during this meeting, is also the combination of positions held by board members. The Chairman explains that the question whether a member of the Board of Management or Supervisory Board has sufficient time to fulfil his or her duties, has the board's full attention. For this reason, members must inform the Chairman before accepting any position outside the company. This requirement is laid down in the Rules of Procedures of the respective boards, and this procedure is also complied with in practice. The Chairman explains that in the past years, each of the members could well combine their respective positions. The Chairman indicates that he expects that the same will hold true for Ms. Knapp. In the future, Supervisory Board will continue to monitor whether each board member has sufficient time and attention to fulfil his or her role on the respective board.

8. Remuneration of the Board of Management and the Supervisory Board

The Chairman proceeds to the agenda item 8. He indicates that this concerns two voting items, being the adoption of the remuneration policy of the Board of Management and the adoption of the remuneration policy of the Supervisory Board. The Chairman notes that the proposals have been aligned with the revised European shareholders rights directive, which also requires the adoption of the remuneration policy for the Supervisory Board. The proposals are explained in more detail in the explanatory notes to the agenda of this meeting. The full proposed policies are part of the meeting documents of this shareholders meeting. The Chairman notes that the company has had various discussions with shareholders and institutional proxy advisers to obtain their feedback on and support for the proposals. He then gives the floor to the Chairman of the Remuneration Committee, Mr. Van de Aast, for a presentation of the proposals and for responses to the questions received.

Mr. Van de Aast first gives some insights in the review process. He explains that this was the first overall review of the remuneration policy since the IPO of the company four years ago. It was also an opportunity to further align remuneration with Signify's business objectives, and ensures compliance with the revised European shareholders rights directive. In performing this review, Signify was supported by a specialized company, Korn Ferry. Mr. Van de Aast himself has had extensive discussions with shareholders to obtain their insights.

Mr. Van de Aast presents the labor market peer group; these are the companies that Signify looks at to benchmark its remuneration. The peer group is a combination of Dutch AEX and AMX companies as well as European sector specific companies.

As to the annual cash incentive, Mr. Van de Aast explains that no fundamental changes have been made. Each year, the Supervisory Board can select those performance measures from a list, which it believes to be most important in any particular year. Mr. Van de Aast indicates that he will further touch upon this remuneration component when discussing the questions.

Mr. Van de Aast indicates that for the long-term incentive, some changes are being proposed. Firstly, it is proposed to add a fourth performance measure, return on capital employed (ROCE). Various shareholders and other stakeholders requested to use this performance measure. Secondly, and as a direct follow up on feedback received, Signify proposes to adjust the performance incentive zone for the total shareholder return (TSR) performance measure. Mr. Van de Aast notes that the peer group for measuring TSR is different from the labor market peer group presented before. Thirdly, and again taking into account input that the company received, it is proposed to give each of the four performance measures an equal weighting of 25%.

On item 8b, the proposal to adopt the remuneration policy for the Supervisory Board, Mr. Van de Aast refers to the table presented (slide 59). He clarifies that no changes are being proposed compared to the remuneration policy and remuneration levels of the Supervisory Board as applied since the IPO established four years ago.

Mr. Van de Aast moves to the questions received prior to this meeting.

The VEB asks whether the Supervisory Board would consider using its discretionary power to further reduce or slash all variable payment components for 2020.

Mr. Van de Aast responds that the targets for variable compensation have been set prior to the COVID-19 pandemic. This also implies that it will be significantly more difficult to achieve the targets. Mr. Van de Aast adds that it is now too early to use discretionary powers. After the end of the year, when the

2020 results are available, the Supervisory Board can consider whether or not to use its discretionary powers.

The VEB asks why Signify did not add more Dutch mid-cap companies in its labor market peer group, which the VEB finds overall more comparable in terms of their market cap.

Mr. Van de Aast explains that companies selected for the labor market peer group is a mixture of Dutch listed AEX and AMX companies (50%) and sector specific companies (50%). The Supervisory Board believes, also based on external advice, that this is a fair representation of its peers.

The VEB has three questions about the proposal to add return on capital employed (ROCE) as one of the financial measures of the long-term incentive. Firstly, the VEB asks if Signify will publish a detailed calculation of ROCE. The answer is yes. Secondly, the VEB wishes to know if Signify will calculate ROCE including or excluding goodwill and other acquired intangibles. Mr. Van de Aast responds that Signify will include it. Thirdly, the VEB asks why ROCE was not included in the short-term incentive of 2019 and whether the Supervisory Board would be willing to include it going forward. Mr. Van de Aast explains that every year, the Supervisory Board can choose performance measures from a list. The Supervisory Board felt that, also for 2020, comparable sales growth, profitability (adjusted EBITA) and free cash flow were the right metrics. The Supervisory Board may select other metrics in a next year.

The next question from the VEB is how the Supervisory Board has taken into account its recent acquisitions in the remuneration policy.

Mr. Van de Aast responds that from the moment acquisitions become an integral part of the company, they are reflected in Signify's financial targets. Furthermore, the Supervisory Board can include specific targets in relation to an acquisition, such as integration benefits, in the personal or team targets for the Board of Management, as is the case this year.

The VEB refers to the increased net debt level as a result of the Cooper Lighting acquisition, and Signify's aim to reduce the net leverage ratio to 1x net debt/EBITDA within three years. The VEB asks why the Supervisory Board has not chosen to explicitly include the leverage ratio as a separate target in the remuneration policy.

Mr. Van de Aast refers to its previous explanation that the Supervisory Board has the possibility to select performance measures and for this year, has selected the ones discussed earlier. In future years, the Supervisory Board may select others.

Mr. Van de Aast shares a comment from Triodos/Eumedion received prior to this meeting, in which it expresses to welcome the increased weight of sustainability as well as the introduction of return on capital as target for the long-term equity incentive.

That concludes the questions and comments in relation to this agenda item.

9. Re-appointment of the external auditor of the company

The Chairman refers to the explanatory notes by agenda item 9 and explains that the Supervisory Board proposes to re-appoint Ernst & Young Accountants LLP as external auditor for a period of three years, starting January 1, 2020. This proposal is the result of an extensive evaluation led by the Audit Committee, as explained in more detail by Mr. Van de Aast earlier today.

The Chairman notes that no further questions were received on this agenda item.

10. Authorization of the Board of Management to issue shares or grant rights to acquire shares, and restrict or exclude pre-emptive rights

The Chairman moves to agenda item 10: Authorizations of the Board of Management to (a) issue shares or grant rights to acquire shares, and (b) restrict or exclude pre-emptive rights, subject to the conditions set out in the annotated agenda. The Chairman clarifies that these are two separate voting items that will be voted on separately. He explains that the proposal is to grant an authorization for a period of eighteen months, starting today.

These proposals are customary for listed companies. In line with the market developments and voting trends among institutional investors, the authorization requested today is for a single 10% of the issued share capital. The Board of Management believes that this will give the board sufficient flexibility to finance the company efficiently. Both management decisions require the approval from the Supervisory Board.

No questions were received on this item.

11. Authorization of the Board of Management to acquire shares in the company

The Chairman introduces the next agenda item, the proposal to authorize the Board of Management to acquire shares in the company, subject to the conditions set out in the annotated agenda. He explains that the proposal is to grant an authorization for a period of eighteen months, starting today. The authorization is restricted to 10% of the current issued share capital plus an additional 10% of the issued share capital for repurchases to reduce the share capital. A decision from management to acquire shares requires the approval from the Supervisory Board. This is a customary authorization for listed companies.

No questions were received on this item.

12. Cancellation of shares

The Chairman moves on to agenda item 12, the cancellation of shares, subject to the conditions set out in the annotated agenda. The Chairman explains that this proposal concerns the cancellation of shares held by the company or to be acquired by the company under the authorization referred to under 11 to the extent that these are not used for share based remuneration or to meet other obligations. The number of shares to be cancelled will be determined by the Board of Management. This again, is a customary proposal for listed companies.

No questions were received on this item.

13. Any other business

The Chairman explains that, in view of the structure of today's meeting, there is no "other business" agenda item today. The Chairman notes that Signify did receive a follow-up question from Triodos/Eumedion, for which he gives the floor to Mr. Rondolat.

Triodos/Eumedion has a follow up question on the potential disruption of the agency networks. Triodos/Eumedion asks if the suggestion from a competitor is true that employees from Cooper and Signify agents are joining agents with stronger positions at competitors.

Mr. Rondolat responds that while Signify does not respond to unsubstantiated claims from its competitors, he is happy to clarify the following. The original agent networks of Signify are stable, meaning that the agents are still there and they keep working in close contact with the Signify teams. Mr. Rondolat states that he has no information of Cooper employees that would have left Cooper to join other companies in the Northern American market. On the contrary, the Cooper employees have demonstrated a very high level of engagement and motivation to become part of Signify after the acquisition.

Mr. Rondolat also uses the opportunity to address one of the VEB's general points of attention and a comment from Triodos/Eumedion that have not yet been shared.

The VEB asks companies to explain the impact of the current crisis on the commitment for climate actions and the companies' climate related targets.

Mr. Rondolat responds that in this time of the corona crisis, the health and safety is Signify's top priority. Nevertheless, this does not affect Signify's commitment to climate action and its aim remains to become carbon neutral at the end of 2020.

Mr. Rondolat shares the comment received from Triodos/Eumedion that they are pleased with the extensiveness of Signify's reporting, both from a financial and sustainability perspective. Triodos/Eumedion also noted that they are happy to read that Signify's carbon footprint continues to decline and that it is taking an active role in limiting the carbon footprint of its suppliers. Mr. Rondolat thanks Triodos/Eumedion for their recognition and he confirms that Signify is well on track for carbon neutrality in 2020.

The Chairman confirms that no further follow up questions have been received.

Voting results

The Chairman moves to the voting results of this meeting and gives the floor to the notary.

The notary states that at the beginning of the meeting, 80,576,341 shares were present or represented, giving right to the same number of votes. In view of the number of issued shares of the company on the record date that can be voted on, 63.59% of the issued share capital is present or represented at today's meeting. The notary explains that shareholders had the opportunity to exercise their voting rights by proxy prior to this meeting.

The Chairman presents the voting results of this meeting, for practical reasons, in rounded percentages. The Chairman indicates that the full voting results will be published on the company's website (link) and will also be included in the minutes of today's meeting in summary form.

Agenda item 2: Advisory vote on the remuneration report 2019: 84% voted in favor of the proposal. The Chairman concludes that the remuneration report is approved.

Agenda item 4: Proposal to adopt the financial statements for the financial year 2019: 100% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 5a: Proposal to discharge the members of the Board of Management: 99% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 5b: Proposal to discharge the members of the Supervisory Board: 99% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 6a: Proposal to re-appoint Eric Rondolat as member of the Board of Management: 100% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 6b: Proposal to re-appoint René van Schooten as member of the Board of Management: 100% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 6c: Proposal to appoint Maria Letizia Mariani as member of the Board of Management: 100% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 7a: Proposal to re-appoint Arthur van der Poel as member of the Supervisory Board: 99% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 7b: Proposal to re-appoint Rita Lane as member of the Supervisory Board: 99% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 7c: Proposal to appoint Frank Lubnau as member of the Supervisory Board: 99% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 7d: Proposal to appoint Pamela Knapp as member of the Supervisory Board: 85% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 8a: Proposal to adopt the remuneration policy for the Board of Management, including the proposal to approve changing the long-term incentive plan for the Board of Management: 94% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 8b: Proposal to adopt the remuneration policy for the Supervisory Board: 99% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 9: Proposal to re-appoint Ernst & Young Accountants LLP as the external auditor of the company: 99% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 10a: Proposal to authorize the Board of Management to issue shares or grant rights to acquire shares: 100% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 10b: Proposal to authorize the Board of Management to restrict or exclude pre-emptive rights: 99% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 11: Proposal to authorize the Board of Management to acquire shares in the company: 94% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

Agenda item 12: Proposal to cancel shares in one or more tranches as to be determined by the Board of Management: 99% voted in favor of the proposal. The Chairman concludes that the proposal is adopted.

The Chairman thanks everybody for their attention and closes the annual general meeting of shareholders of Signify for 2020.

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