SUMMARY OF THE DISCUSSION AT THE
ANNUAL GENERAL MEETING OF SHAREHOLDERS OF SIGNIFY N.V.
HELD ON MAY 14, 2019 IN EINDHOVEN, THE NETHERLANDS

Start of the meeting: 14:00 CET

Chairman: Arthur van der Poel

Opening

The Chairman welcomes all present at the annual general meeting of shareholders of Signify N.V. and opens the meeting. He introduces the members of the Board of Management and the Supervisory Board, the secretary of the meeting, the notary public and the external auditor from EY. 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 these items together, after the presentations.

2. Implementation of the remuneration policy in 2018

The Chairman gives the floor to the chairman of the Remuneration Committee, Gerard van de Aast, to explain how the company's remuneration policy has been implemented in 2018.

Mr. Van de Aast refers to Signify's annual report 2018 for a full report of the remuneration policy and its implementation in 2018. He continues to explain the main elements of the remuneration as well as the performance in 2018:

The remuneration of Signify's Board of Management consists of three main elements. The first part is the fixed base salary. The second part is the annual incentive, which can vary between 0% and 160% for the CEO (and 0% and 120% for the other board members) of their base salary. The third part is the long-term incentive comprising of Signify share awards, which are conditionally granted with a three-year performance period. As the first share awards were granted to management in 2017, this third part will be discussed in more detail as of the general meeting of shareholders in 2020.

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

The annual incentive has two components. The first and major component is the financial component (80%), in 2018 consisting of three performance measures: comparable sales growth, adjusted EBITA and free cash flow. The second component consists of personal targets (20%). The members of the Board of Management have approximately three joint targets, to also support the desired team spirit, and about three or four targets that are set individually. The result for 2018 was 60.4% for all three members of the Board of Management, which means a pay-out of 48.3% and 36.2% of the base salary, respectively.

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

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

Mr. Rougeot 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 is committed to focus on the generation of free cash flow as well as managing its financial ratios to maintain a financing structure compatible with an investment-grade profile. In terms of cash uses, the company will continue to invest in its business, and aims to pay out an annual regular cash dividend. The company also aims to seize non-organic opportunities, primarily through small to medium sized acquisitions. Absent such opportunities, Signify will consider additional capital returns to shareholders.

Mr. Rougeot then discusses the net debt development in 2018. The cash level at year-end 2018 was EUR 676 million. The company's gross debt was EUR 1,265 million. This includes the debt established at the IPO, consisting of a term loan of EUR 740 million and USD 500 million, with a remaining tenor of two years (maturing in May 2021). Net leverage, calculated as net debt over reported EBITDA, was 0.9 times at year-end 2018. The company has additional liquidity via its revolving credit facility of EUR 500 million. The net debt amounted to EUR 589 million at year-end 2018, which is an increase of EUR 222 million compared to year-end 2017. Signify generated EUR 306 million of free cash flow during 2018. Given the strength of its financial structure, the company not only served its regular dividend to shareholders but also used an amount for share repurchases.

Signify's dividend policy reflects its profitability and cash generation, with a stable return component to its shareholders whilst being able to continue to invest in its business and keeping financial flexibility. Therefore, the company aims to distribute an annual cash dividend within 40% and 50% of continuing net income. This year's proposal is to pay a cash dividend of EUR 1.30 per share, which is an increase of 4% compared to last year's dividend of EUR 1.25 per share. For the coming years, the company wishes to have a consistent dividend policy, which has also been taken into account when deciding on the dividend proposal for 2018. If in the course of the year, the funds needed for non-organic growth are substantially less than the capital available, the company will consider other uses of capital, including returning excess cash to shareholders.

Mr. Rougeot then gives an overview of the company's cash generation and spend since its IPO in 2016. Over the last three years, the company generated EUR 1.1 billion of free cash flow, which is after contributing EUR 114 million to its U.S. pension fund. Signify has seized non-organic growth opportunities in technology companies with strong know-how in connected lighting systems and platforms for services like LiteMagic, Firefly and more recently WiZ Connected. The company's cash dividend distributions amount to EUR 492 million, including the proposed dividend for 2018. The company also spent EUR 631 million on share repurchases, of which EUR 563 million for cancellation.

4. Financial statements 2018

The Chairman makes a couple of introductory comments on the annual report 2018: 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 states to have given a combined unqualified auditor's opinion for both the financial statements and the sustainability statements for 2018.

The audit plan was agreed with the Audit Committee and the Board of Management in April 2018. For the audit, a materiality threshold of EUR 26 million was applied. The threshold for reporting any audit differences to the company's Audit Committee was set at EUR 1.3 million.

Mr. Jonker explains how EY organized the audit activities: As the company's accountant, it 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 22 parts in 10 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, the U.S. and Poland.

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 and liabilities for uncertain tax positions. The key assurance matters for the sustainability information were the reporting criteria for sustainable revenues and the estimates and assumptions concerning the calculated impact of avoided CO2 as presented in the value creation model. The audit approach 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.

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 2018, 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 concludes that the third audit year has been successfully concluded.

The Chairman thanks Mr. Jonker and opens the floor for questions.

Mr. Boom asks how the recent developments in China impact Signify, both in terms of sales and profitability. Secondly, he requests an update on the losses carryforward for which no deferred tax asset (DTA) has been recognized in the balance sheet as well as an explanation on the decrease of deductible temporary differences for which no DTA has been recognized.

To the first question, Mr. Rondolat responds that starting Q3 2018, the Chinese economy was declining. This also impacted Signify in Q3 and Q4 2018, and to a certain extent in Q1 2019. Signify is well positioned to benefit from renewed growth in China when it comes. The company does not see a specific impact of China on its profitability; it has to adapt to the topline.

To Mr. Boom's second question, Mr. Rougeot responds that for 2018, the company had EUR 456 million tax losses that were not yet recognized in the balance sheet (2017: EUR 460m). Signify is using losses at one side and adding losses on the other side. This explains the small decrease. France is still in a lossmaking position. Belgium still has non-recognized losses, just like last year. Singapore is profitable; thus losses have been recognized again here. Regarding the temporary differences for which no DTA was recognized (EUR 86m), if the situation at hand changes, the company needs to reflect this in its balance sheet and adjust the assets or the liabilities accordingly.

Mr. Vreeken states that the world should become more sustainable and that Signify can help in this transition, for example by working together with the city of Amsterdam on using LED street lighting in a more sustainable manner. Mr Vreeken comments that he does not see Signify in TV commercials whereas he did see Philips Lighting in the past. He asks if Signify could improve its marketing, if it can change back its name to Philips Lighting, if Signify is open for talks on cooperation and if the company can speed up sustainability.

Mr. Rondolat thanks Mr. Vreeken on the positive comments he made on the company's contribution to sustainability, and responds that he is open to partnerships. On the question on marketing, Mr. Rondolat explains that the company is continuing its efforts on communication: The company does 360° marketing campaigns all over the world, using social media and TV where needed. Whereas the energy transition is generally about going to a cleaner production of energy, Signify sees as the main objective to consume less. Electric consumption linked to lighting can be reduced by between 50% and 80% by installing Signify lighting systems. The recognition of Signify as industry leader in the Dow Jones Sustainability Index is also good publicity for the company. The company's name will not go back to Philips Lighting; it's Signify. However, the brand name remains Philips. As to speeding up sustainability, Mr. Rondolat mentions as an example its SunStay luminaires, whereby the solar panel, battery and light source are all integrated in one box. The company is working on many other innovations.

Mr. Rozing speaks on behalf of Triodos Investment Management and on behalf of Menzis, member of the Eumedion, which represents institutional investors' interests in the field of corporate governance and related sustainable performance. Mr. Rozing shares his thoughts on the remuneration policy for the Board of Management. Whereas he finds free cash flow and sustainability strong performance measures of the current policy, Mr. Rozing asks to consider replacing total shareholder return by return on invested capital. He also asks whether the company is open to consulting its shareholders when formulating a new remuneration policy.

Mr. Van de Aast clarifies that Mr. Rozing's comment particularly applies to the company's long-term incentive plan. The long-term incentive plan has 40% related to total shareholders return, 40% to free cash flow and 20% to sustainability targets. Selecting the performance measures is always a balancing act and each choice has its pros and cons, whatever alternative or performance measure is used. The company intends to put the remuneration policy on the agenda of next year's general meeting of shareholders. Before that time, the policy will be discussed in more detail. Mr. Van de Aast finds a dialogue with shareholders a meaningful contribution to such discussions. He notes that the long-term incentive plan has a vesting period of three years, which means that the performance measures of the share awards granted in 2017, 2018 and 2019 will not change anymore. If the company proposes to adjust the long-term incentive design and this is approved at the general meeting of shareholders next year, the new design will have an effect as of that time.

Mr. Beijers has a couple of questions. He would like to have further information on China, that was referred to as a challenging market, and Signify's position in China. In the area of research and development, Mr. Beijers notes that Signify has a large number of patents every year and asks if the company's patents are well protected, in particular in China. He also asks what is expected for R&D expenditure in the coming years, where the company's R&D sites are and if these can be combined. And finally, Mr. Beijers asks for the illness rate within the Signify group, as an indicator of how the company's employees feel worldwide.

To Mr. Beijers questions on China, Mr. Rondolat responds that the company's strongest competition is coming from China. In China there are two or three large players and multiple competitors that are much smaller. The challenging market conditions as well as the current friction between the U.S. and China affect the company's competitors as they are affecting Signify itself.

To Mr. Beijers questions on R&D, Mr. Rondolat responds that the company is indeed able to convert ideas into a large number of patents. In all markets, the company tries to effectively operate these patents. He agrees that this is not always easy in China. The company has put in place a licensee program, including about 20% of its patents. The company also has some Chinese companies participating in this program, others don't. The company does not expect to see a substantial change in R&D expenditure; R&D is a fundamental element of differentiation. Especially now the technology in the lighting market and industry is evolving so quickly, the company wants to be at the forefront of innovation. For R&D, the company identified a long time ago that it needs three poles of influence: Europe (site in Eindhoven), North America (site in Boston area, close to MIT) and Asia (sites in Shanghai, China and in Bangalore, India). As such our R&D centers are already clustered.

To Mr. Beijers questions on employees' wellbeing, Mr. Rondolat responds that illness is a component of the total recordable cases (TRC) rate, both part of the company's sustainability program. In 2018, the TRC rate was 0.29%, which means that the company had 0.29 injuries per 100 employees, which is lower than the year before. Another indicator for how people feel in the company is the net promotor score (NPS), which is rated every quarter with a response rate of about 80%. At year-end 2018, the NPS was around 16, and has been improving over the last quarters.

Mr. Jager represents the association of shareholders for sustainability development (VBDO). He compliments management on being the industry leader in the Dow Jones Sustainability Index and on having EY commissioned to also check the sustainability statements. Mr. Jager has three questions. He asks what measures the company takes to take climate-related issues into account, and what its strategy is in this regard. Secondly, Mr. Jager asks what the company did to review suppliers on living wage, and what progress the company made on this. For this question he refers to what Mr. Rondolat said he would do on last year's general meeting of shareholders. Thirdly, as the company's sustainability goals are up to 2020, Mr. Jager asks if the company will report on its sustainability goals up to 2030 at the next general meeting of shareholders, and how it intends to report on those.

Mr. Rondolat confirms that sustainability is very important to the company. In response to Mr. Jager's first question, Mr. Rondolat explains that both for the company's own operations and for supplier's operations, the company maps out climate-related risks such as typhoons, flooding, earthquakes and water stress, based on location and deploys adaptive measures. Mr. Rondolat gives an example of a supplier in the region of San Francisco having measures in place to protect equipment in case of earthquakes, and an example of the recent typhoon in India, after which the company investigated the likelihood of a supply disruption. The company thus puts a strategy in place to address climate-related risks. On the second question, Mr. Rondolat explains that the company is going to suppliers for audits on living wage. In the past 2.5 years, the company has audited its 257 suppliers. On a first audit, 40% to 60% was compliant. After the second audit, 99% was compliant by the end of 2018. If suppliers are not compliant, the company explains what is expected from them to become compliant. If they do not do it correctly, the company is in a position to terminate the relationship. To the third question, Mr. Rondolat responds that the company's current sustainability program runs until the end of 2020, so that is the program the company will report on at the 2020 general meeting of shareholders. For the period after 2020 (probably until 2025), the company will design a new plan. It is likely that the company will take the Sustainability Development Goals (SDGs) as fundamental elements in the design of the new plan. The company will communicate on the new program when the right time comes; the end of 2020 is now still some time away.

Mr. Schmets speaks on behalf of the Dutch Association of Shareholders (VEB) and on behalf of over 40,000 retail investors. Mr. Schmets observes that Signify is good in cutting costs and its cashflow is good but that there is an end to cutting costs. He asks how the company ensures to generate enough cashflow in the future, and how it stands out compared to the competition other than on scale only.

Mr. Rondolat responds that one should look at the performance over the past years, and he refers to his presentation at the start of the meeting with a picture going back to 2012 [slide 7 of the Presentation AGM 2019]. He explains the five transitions the company is going through. The first is the transition from conventional lighting to LED. In view of the energy savings that LED brings, conventional lighting is being banned from the markets. Conventional lighting is thus a business that cannot be stopped from declining. By bringing down the costs for the conventional business, the company was able to optimize profits and cash in this business. Competitors that were not able to make these adjustments sufficiently quickly have had negative consequences. At the same time, the company has shown a growth story in its LED business, which is also cash generative. The company is leading in LED products though there is a lot of competition in the LED business. The second transition is towards connected lighting: 85% of the company's R&D spend is in digital lighting, also moving to connectivity, software and cloud solutions. The company has developed its Internet of Things (IoT) platform, Interact. This platform is instrumental for this transition as well as for the transitions to systems (third transition) and to services (fourth transition). The fifth transition is LiFi. Mr. Rondolat thinks that for the transitions towards systems, services and LiFi, the company is more advanced in terms of technology than its competitors. Mr. Rondolat explains that he expects the horticulture and solar markets to grow quickly. By way of examples, he highlights some products, systems and technologies that the company is delivering in these areas.

Mr. Rozing has two further questions. He notes that Abhijit Bhattacharya stepped down from Signify's Supervisory Board last year and was not yet replaced. He asks what the intention is for the composition of the Supervisory Board for the future. Mr. Rozing's second question relates to the right of inquiry (*enquêterecht*). He states that as the nominal value of Signify's shares is quite low (EUR 0.01), shareholders need quite a significant stake to start inquiry proceedings. He asks if Signify is willing, in line with other companies such as Ahold Delhaize and Boskalis, to incorporate the following phrase in its next annual report: "The threshold for shareholders to exercise the right of inquiry are based on Article 2:346 sub clause 1 under c of the Dutch Civil Code, regardless of the current nominal share capital of the company."

On the composition of the Supervisory Board, the Chairman explains that Mr. Bhattacharya's resignation from the Supervisory Board last December was expected at some point in time, because he had to step down when Philips' stake would have become below 15%. In anticipation hereof, the Supervisory Board already organized his replacement by appointing Mr. Blok last year, and Ms. Lee as financial expert the year before. This means that there is currently no obvious vacancy. The Chairman also refers to the competence matrix that was published in the annual report this year for the first time, which demonstrates the variety represented on the board. At the same time, the Supervisory Board is looking into how to further strengthen the team. The Chairman states that he expects to nominate a new Supervisory Board member at the next general meeting of shareholders, who will be adding to the current competences.

To the second question of Mr. Rozing, the Chairman responds that the nominal value of the shares was decided on at the time of the IPO of Philips Lighting (2016). He clarifies that the reason for this was certainly not to impose a higher threshold for the right of inquiry. Instead, there were various reasons for doing so, including keeping the financing costs for the protection foundation low if it were to exercise its call option. Currently, the company has no plans to change its articles of association or to change this in the annual report. When an amendment to the articles is being considered, the company will look at the relevant legislation and at other companies, and will consider what a reasonable approach would be. When doing so, it will take Mr. Rozing's remark into account.

Mr. Schmets has three follow-up questions. He asks whether the margin catch-up for Professional will be driven for 50% by cost reductions or whether it will be driven for 100% by top-line growth. Secondly, he notes that free cash flow is now presented for Lamps on the one hand and jointly for LED, Professional and Home on the other. Mr. Schmets asks if Signify is willing to break down the second part into a more detailed reporting. His third question relates to the goodwill valuation assumption, which is a key audit matter. Mr. Schmets notes that the company expects growth in Professional of 4.7% up to 2021 and states that this is higher than in the past and higher than what analysts expect for the future. He asks when the acceleration in growth can be achieved. He furthermore asks why the extrapolation period has been amended from 4.8 to 3.4.

To the first question, Mr. Rondolat responds that the profitability in Professional is intended to come from cost cutting, both indirect and direct by bringing down the bill of material, as well as from growth. Whether this will be fifty-fifty is not certain, though there is a fair contribution expected of all different criteria to the improvement of the performance. It is the company's objective to increase the Adjusted EBITA margin in Professional to a range of 11-14%, which was the target set at the time of the IPO, and was at 9.5% at the end of 2018.

To the question on free cash flow, Mr. Rougeot responds that as of end December 2018, the company provided for the first time the difference in cash flow contributed by Lamps (2018: EUR 308 million) and the growing profit engines (2018: EUR 370 million). The company finds it important to show that the three business groups together generated more free cash flow than the Lamps business. And compared to 2017, the free cash flow of the three growing profit engines increased, despite the negative contribution of the Home business. The company has not yet decided whether it will disclose more specific information of the free cash flow per business group. Such information can also be competition sensitive.

To the question on goodwill, Mr. Rougeot responds that the projections supporting the impairment plan is based on the company's strategic plan, which the company updates every year. The strategic plan has a three-year period. The company has an extrapolation period of five years, and then there is the period beyond. In December 2018, the company looked at the status of the business and of the markets. This resulted in the company maintaining the level of growth in the short term but to reduce the growth level for the extrapolation period in comparison to the plan made a year before. In response to Mr. Schmets' comment that 4.7% might be high, Mr. Rougeot explains that this will obviously also depend on the overall macro-economic and industrial environment in the regions where the company operates. Part of the growth is expected to come from the connected part of the business in Professional, the expansion into systems and the other growth engines referred to earlier, like horticulture and solar. This is underpinning the company's assumptions and is embedded in the impairment test, for which the growth level for the extrapolation period has been made on more cautious assumptions compared to 2017.

As there were no other questions, Mr. Schmets took the opportunity to ask a few more questions. Mr. Schmets refers to p. 57 of the 2018 annual report on the company's improvements of its internal controls. He asks the background for bringing down the number of self-assessments by 50%. Secondly, Mr. Schmets noted that Saudi Arabia was a key audit matter in 2017 and is no longer so in 2018. He seeks the view from the auditor as to the receivables, cash collection and the general state of play in Saudi Arabia. Thirdly, Mr. Schmets has a question on the annual cash incentive, which he sees as a sort of surprise box, from which different alternatives can be picked. He asks if metrics other than sales growth, EBITA and cashflow are tested to see whether the current mix is correct. He also wishes to know why the company does not use return on invested capital.

Mr. Rougeot responds to the first question that the company's internal control framework originates from Royal Philips. As a company listed in the U.S., Royal Philips and its consolidated companies are subject to Sarbanes Oxley. After Signify was no longer consolidated by Royal Philips, the company had to adapt, and did so in 2018. Under the current framework, the company focuses on business processes (such as the development process for products and sales process) rather than on financial processes only. In 2018, the company tested these on a half-yearly basis rather than on a quarterly basis (the latter is rarely done by other companies in similar environments either). The tests are looked at by the internal control team as well as the external auditor. The current framework gives the company the proper level of control.

Mr. Jonker adds that EY looks at internal controls to the extent it is important for the audit of the annual report. He explains that EY sees its audit moving more towards data analysis rather than relying on internal controls. EY has discussed Signify's internal control framework and the changes made in 2018. In EY's view, the changes did not negatively affect its internal control mechanisms.

In response to the question on Saudi Arabia, Mr. Jonker confirms that it is no longer a key audit matter, mainly because of the measures taken by the company. Mr. Jonker explains that he went to Saudi Arabia in 2017, and two other colleagues in 2018, as it is one of the countries in scope of the group audit. EY assessed Saudi Arabia carefully, including its receivables, which the company also follows closely. EY noted no irregularities and had no remarks, and thus it was no longer a key audit matter.

In response to question on the annual cash incentive, Mr. Van de Aast explains that free cash flow remains an important performance measure for the remuneration of the Board of Management. It is reflected not only in the long-term incentive plan, where free cash flow represents 40% of the opportunity, but also in the annual cash incentive, where it is one of the three performance measures that together represent 80% of the bonus opportunity. Mr. Van de Aast believes the "pick and choose" picture drawn by Mr. Schmets is not a fair reflection: As discussed in more detail in the annual report, the Supervisory Board can select two or three performance measures from a list of five. This allows the board to select the right performance measures, depending on the need to create more focus on certain performance measures. The Supervisory Board regularly evaluates the effectiveness of the performance measures used. It is indeed always a choice. The Supervisory Board decided to keep the previously selected performance measures: comparable sales growth, profitability and free cash flow because, at this point in time, it considers these being the most important measures to assess the success of the company and support its future development. These are also prominent topics in the quarterly earnings calls. In the future this may change, depending on the prevailing priorities at that point in time.

The Chairman moves to the voting on the agenda items that have now been discussed and gives the floor to the notary. The notary states that at the beginning of the meeting, 94,561,302 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, 74,95% of the issued share capital is present or represented at today's meeting. The notary explains the voting procedure and mentions that the full voting rights will be published on the company's website (link) and will also be included in the minutes of today's meeting in summary form.

The Chairman now opens the vote on agenda item 4: Proposal to adopt the financial statements for the financial year 2018. After the vote is closed, the following voting results are presented:

For	100%	
Against	0%	

The Chairman concludes that the proposal is adopted.

5. Dividend

The Chairman moves to the next agenda item and opens the vote on agenda item 5: Proposal to adopt a cash dividend of EUR 1.30 per ordinary share from the 2018 net income. After the vote is closed, the following voting results are presented:

For	99.91%	
Against	0.09%	

The Chairman concludes that the proposal is adopted.

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

The Chairman opens the vote on agenda item 6a: Proposal to discharge the members of the Board of Management in respect of their duties performed in 2018. After the vote is closed, the following voting results are presented:

For	98.76%	
Against	1.24%	

The Chairman concludes that the proposal is adopted.

The Chairman opens the vote on agenda item 6b: Proposal to discharge the members of the Supervisory Board in respect of their duties performed in 2018. After the vote is closed, the following voting results are presented:

For	98.76%	
Against	1.24%	

The Chairman concludes that the proposal is adopted.

7. 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 7: 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. These proposals are customary for listed companies. 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. In line with the market developments and voting trends among institutional investors, the authorization requested today is, like last year, 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.

As nobody raises a question, the Chairman opens the vote on agenda item 7a: Proposal to authorize the Board of Management to issue shares or grant rights to acquire shares. After the vote is closed, the following voting results are presented:

For	99.81%	
Against	0.19%	

The Chairman concludes that the proposal is adopted.

The Chairman then opens the vote on agenda item 7b: Proposal to authorize the Board of Management to restrict or exclude pre-emptive rights. After the vote is closed, the following voting results are presented:

For	99.16%	
Against	0.84%	

The Chairman concludes that the proposal is adopted.

8. 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.

Since nobody wishes ask a question on this point, the Chairman opens the vote on agenda item 8: Proposal to authorize the Board of Management to acquire shares in the company.

After the vote is closed, the following voting results are presented:

For	97.94%	
Against	2.06%	

The Chairman concludes that the proposal is adopted.

9. Cancellation of shares

The Chairman moves on to agenda item 9, 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 8 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.

As there are no questions raised, the Chairman opens the vote on agenda item 9: Proposal to cancel shares in one or more tranches as to be determined by the Board of Management. After the vote is closed, the following voting results are presented:

For	100%	
Against	0%	

The Chairman concludes that the proposal is adopted.

10. Any other business

The Chairman opens the last agenda item and gives the opportunity for questions.

The Chairman then thanks everybody for attending and closes the annual general meeting of shareholders of Signify for 2019.

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