

IMCD Annual General Meeting

Type of meeting	AGM
Company:	IMCD
Date	10.00 AM, 29 April 2015
Location	Nieuwe Luxor Theater, Posthumalaan 1, Rotterdam
Speaker	Michiel van Esch (Robeco)
Opt-in members	
Attendance AGM	76,02% of stock of outstanding stock represented

		Result		
	Agenda items	Vote	F	A W
1	Opening			
2	Annual Report for the financial year 2016			
3	Financial statements 2016, result and dividend.			
	a. Implementation of the remuneration policy in the financial year 2016			
	b. Adoption of the financial statements 2016 (voting point)	F	99,91%	
	c. Adoption of the dividend proposal (voting point)	F	100%	
4	Discharge			
	a. Discharge from liability of members of the Management Board for the performance of their duties in 2016 (voting point)	F	99,76%	
	b. Discharge from liability of members of the Supervisory Board for the performance of their duties in 2016 (voting point)	F	99,76%	
5	Appointment of the external auditor for the financial year 2017 and 2018 (voting point)	F	100%	
6	Designation of the Management Board as the body authorized:			
	a. To issue shares and/or grant rights to acquire shares (10%) (voting point)	F	86,72%	
	b. To restrict or exclude the pre-emptive rights on shares as described under 6.a. (voting point)	F	80,27%	
	c. To issue shares and/or grant rights to acquire shares in the event of or in connection with mergers, acquisitions and/or strategic alliances (10%) (voting point)	F	74,33%	
	d. To restrict or exclude the pre-emptive rights on shares as described under 6.c. (voting point)	F	77,62%	
7	Authorization of the Management Board to acquire shares in the company on behalf of the company (voting point)	F	99,48%	

- 8 Any other business
- 9 Closing

2. Annual Report for the financial year 2016

My name is Michiel van Esch and I work at Robeco.

IMCD had another year of strong performance with impressive numbers on revenue, free cash flow and profit. We are also content to see that the stock price has performed well since the company's initial listing a few years ago. We compliment IMCD on the strong performance over the last years and hope you can maintain the performance in the future. Further guidance is helpful for investors.

1): "Does the company have any long term targets for financial key performance indicators (such as organic revenue growth/ margins/ EBITDA or ROCE) and can IMCD provide guidance on those metrics?"

The CFO mentions that the performance of the company depends on certain business drivers. The IPO document mentions a track record of average growth of approximately 5-6% on an annual basis. This growth depends on a set of trends in various markets. The CFO has no reason to believe that these trends have significantly changed. This does not mean that IMCD will reach the same amount of growth every year, but over the longer run they do not see any reason to adjust this guidance.

In a later stage of the meeting the CEO explains that IMCD is reluctant to provide quarterly or annual outlooks, because they cannot predict the future. IMCD knows their business order approximately 6 to 8 weeks ahead, but they do not know business developments on a longer time scale.

Since the company's listing, we have also seen positive steps on Corporate Governance and the annual report. My next two questions concern these topics.

2): The composition of the supervisory board has changed significantly over the last two years and is currently in compliance with the Dutch corporate governance code in terms of independence. We see this as a positive development. The self-evaluation in the annual report mentions that the composition and size of the board is appropriate for IMCD. Can the Supervisory Board elaborate on any further findings and did you find any areas for

improvement in terms of its performance or specific issues to address for the coming years?

The chairman of the supervisory board agrees that the board has completely changed over the last couple of years. Taken the board as a whole, the skills and experience cover all relevant areas for IMCD's business. Over the year the board has worked on gaining a better understanding of all business aspects and gaining access to departments and sites, in order to not only rely on the information provided by the management board. In the coming years the board will review if the composition needs to change in terms of diversity, but at this point continuity will further improve the boards performance.

3): Sustainability report

The sustainability section of the annual report includes a better description of sustainability related initiatives and policies compared to the last report. This section can be further improved by starting with a materiality analysis of sustainability issues. We encourage IMCD to take that such analysis into account for next year's report.

Our compliments are appreciated by the CEO and mentions that sustainability is a very important topic for IMCD. IMCD is aware that sustainability is a topic of increasing importance to almost all of their stakeholders. Our suggestions on reporting will be taken into account for the next report.

4): The risk paragraph also mentions HSEQ risks. Can you explain how the risk assessment on HSEQ is carried out and how any HSEQ issues are identified when acquiring new business?

The CEO stresses the broadness of the risk assessment we are asking about. IMCD's policies on HSEQ is bound by a very large set of international guidelines. Especially the guidelines related toxicity in the EU (also known as REACH) is very strict. A risk team continuously monitors all business based on these guidelines and IMCD's risk framework. They are content that they have almost no incidents in terms of HSEQ.

When acquiring new businesses, IMCD tests the business against all relevant guidelines and places new business in a risk bucket. Measures for further mitigation are determined correspondingly.

3.a Implementation of the remuneration policy in the financial year 2014

We appreciate the straight-forward nature and structure of IMCD's remuneration policy. The balance between fixed pay and variable pay seems healthy and the LTIP uses performance shares instead of stock options.

The remuneration report explains which metrics apply as performance targets. EBITDA on the STIP and cash earnings per share growth and TSR for the LTIP. The report also mentions that the exact target levels cannot be disclosed because of confidentiality.

1. Can you share the targets in ranges?
2. Can you elaborate how the remuneration committee set the appropriate targets over 2016 for the financial metrics in the remuneration policy?

The chairman of the supervisory board (in the absence of the chairman of the remuneration committee explains that the target levels are not confidential for no reason and also will not provide ranges of targets. However, during the presentation. The chairman understands that investors like to get understanding of whether targets are sufficiently challenging. The remuneration committee is committed to set challenging targets, but are not so stretching that they are impossible to achieve for management. The chairman refers to the payouts mentioned in his presentation. Management earned 55% of maximum payout on the STIP, while the performance on EBITDA was very strong. Based on that shareholders should be able to assess that targets are challenging