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**AGENDA
GENERAL MEETING
OF SHAREHOLDERS
10 APRIL 2017**

AGENDA

GENERAL MEETING OF SHAREHOLDERS OF KENDRION N.V.

1. Opening
2.
 - a. Report of the Executive Board on the developments in 2016 (discussion)
 - b. Remuneration Report of 2016 (discussion)
3. Adoption of the 2016 financial statements (resolution)
4. Dividend distribution (resolution)
5. Granting discharge to the members of the Executive Board for their management of the Company in 2016 (resolution)
6. Granting discharge to the members of the Supervisory Board for their supervision of the management of the Company in 2016 (resolution)
7. Reappointment of Mr F.J. Sonnemans as member of the Executive Board (CFO) (resolution)
8. Reappointment of Mr H. ten Hove as member of the Supervisory Board (resolution)
9. Remuneration of the members of the Supervisory Board (resolution)
10.
 - a. Authorisation of the Executive Board to issue shares or grant rights to acquire shares (resolution)
 - b. Authorisation of the Executive Board to restrict or suspend pre-emptive rights (resolution)
11. Authorisation of the Executive Board to repurchase shares in the Company (resolution)
12. Any other business
13. Adjournment

We are pleased to invite you to our General Meeting of Shareholders of Kendrion N.V.

Joep van Beurden, CEO
Frank Sonnemans, CFO

To be held on:

Monday, 10 April 2017
14:30 hours

Novotel Amsterdam City
Europaboulevard 10
1083 AD Amsterdam
The Netherlands

Record date:

Monday, 13 March 2017

Applications:

No later than Tuesday, 4 April 2017
17:00 hours

The Annual Report 2016 has been published on annualreport.kendrion.com.

General Meeting of Shareholders of Kendrion N.V. ('the Company') Monday, 10 April 2017

Note to agenda item 2.a (Report of the Executive Board, discussion)

The Executive Board will give an explanation of the operations and developments of Kendrion and its business units in 2016.

Note to agenda item 2.b (Remuneration Report of 2016, discussion)

The manner in which the remuneration policy for the Executive Board was implemented in 2016 will be discussed by the General Meeting of Shareholders. The Supervisory Board's Remuneration Report 2016 contains the relevant information. This Remuneration Report has been published on Kendrion's website.

Note to agenda item 3 (Adoption of the 2016 financial statements, resolution)

Following a discussion, shareholders will be invited to adopt the 2016 financial statements. Prior to this, the auditor will give account of the audit procedures performed.

Note to agenda item 4 (Dividend distribution, resolution)

Kendrion endeavours to realise an attractive return for shareholders, supported by a suitable dividend policy. At the same time, the Company needs to retain a healthy financial position to provide the necessary assurances for its continuity. When determining the dividend to be distributed to shareholders it is necessary to give consideration to the amount of profit that needs to be retained to support the medium and long-term strategic plans of the company and maintain a minimum solvency ratio of 35%. Kendrion strives to distribute an annual dividend of between 35-50% of the net profit. In principle, Kendrion offers shareholders an opportunity to opt for dividend in cash and/or in the form of ordinary shares in Kendrion N.V.'s capital.

The Executive Board proposes, with the approval of the Supervisory Board, that a dividend be paid of 53% of the net profit for 2016. The total dividend amounts to EUR 0.78 per share. It is proposed that the total dividend be paid, at the shareholder's discretion, in cash and/or in ordinary shares, and be charged to the share premium reserve. The ex-dividend date is 12 April 2017 and the Record date is 13 April 2017. The share dividend will be set on 3 May 2017 (before start of trading), on the basis of the volume-weighted average price of all Kendrion shares traded on 25, 26, 27 and 28 April and 2 May 2017, at a level whereby the value of the dividend in shares will be virtually equal to the cash dividend. The period for shareholders to elect share and/or cash dividend runs from 14 April 2017 until 15:00 hours on 2 May 2017. The cash dividend will be made payable and the share dividend will be delivered on 5 May 2017.

Note to agenda item 5 (Discharge of the members of the Executive Board, resolution)

Shareholders will be invited to grant discharge to the current members of the Executive Board for their management of the Company in 2016.

Note to agenda item 6 (Discharge of the members of the Supervisory Board, resolution)

Shareholders will be invited to grant discharge to the current members and former members of the Supervisory Board for their supervision of the management of the Company in 2016.

Note to agenda item 7 (Reappointment of Mr F.J. Sonnemans as member of the Executive Board (CFO), resolution)

In accordance with the Netherlands Corporate Governance Code, Mr Frank Sonnemans was appointed to the Executive

Board in the position of Chief Financial Officer (CFO) in 2013 for a term of four years. His term of office accordingly expires in 2017. Mr Sonnemans has offered himself for reappointment.

The Supervisory Board believes, after thorough evaluation, that Mr Sonnemans has acquitted himself well of his duties over the past four years and as a highly valued member of the Kendrion Executive Board has successfully proven his capabilities in his role as CFO of Kendrion. It is therefore in the interest of Kendrion that he should continue in office for a new term. The Supervisory Board accordingly recommends to the General Meeting of Shareholders that Mr Sonnemans be reappointed to the Executive Board in the position of Chief Financial Officer for a further term of four years, expiring after the close of the General Meeting of Shareholders to be held in 2021.

Mr Sonnemans (55) started his career at Unilever in 1985 where he held various senior positions until 2004, including Finance Director Frozen Fish International in Germany, Mergers & Acquisitions Director in London, Finance and Supply Chain Director Unilever Foods in Mexico and Vice President Investor Relations Unilever in Rotterdam. Mr Sonnemans was CFO of Provimi from 2004 to 2009 and served as CFO of Koninklijke Ahrend N.V. from 2009 to 2012. He holds a master's degree in business administration and CPA degree from the VU University of Amsterdam. Mr Sonnemans is a Dutch national.

Note to agenda item 8 (Reappointment of Mr H. ten Hove as member of the Supervisory Board, resolution)

Mr Henk ten Hove was appointed as a member of the Supervisory Board during the Extraordinary General Meeting of Shareholders of 19 August 2013 for a four-year term until 2017. Consequently, pursuant to the current rotation schedule, Mr Ten Hove will step down as member of the Supervisory Board after the General Meeting of Shareholders to be held on Monday, 10 April 2017.

Mr Ten Hove has indicated that he is available for reappointment for a period of four years. The Supervisory Board recommends, after thorough evaluation, that, partly in view of the thorough manner in which Mr Ten Hove performed his duties as Chairman of the Supervisory Board and as a member of the HR Committee (formerly named Remuneration Committee), the General Meeting of Shareholders reappoint Mr Ten Hove as member of the Supervisory Board for a four-year term expiring after the General Meeting of Shareholders to be held in 2021.

Mr Ten Hove (64) is a member of the Supervisory Boards of SPG Prints N.V. and Unica Groep B.V. He is Chairman of the Economic Board of the Zwolle region and Chairman of the foundation that owns the shares of BDR Thermea. He is a former CEO of Wavin N.V. Mr Ten Hove is a Dutch national. He does not hold any shares in Kendrion.

Note to agenda item 9 (Remuneration of the members of the Supervisory Board, resolution)

The remuneration received by the members of the Supervisory Board consists of a fixed remuneration that is independent of Kendrion's financial results. The remuneration of the Chairman is about one third higher than the remuneration received by the other

members. The remuneration of EUR 40,000 for the Chairman and EUR 30,000 for the other members was set in 2012 and has not been adjusted subsequently. In 2009, the members were awarded an additional amount of EUR 5,000 for their membership of one of the Committees of the Supervisory Board.

In 2016, the Supervisory Board benchmarked the remuneration of its Chairman and its other members as adopted in 2012 with the assistance of a reputable HR consultancy firm. The outcome was that, compared to a Dutch cross-industry reference group of 16 companies, the remuneration is, generally speaking, in the bottom 25th percentile.

The Supervisory Board therefore proposes to raise the remuneration of the Chairman from EUR 40,000 to EUR 45,000 on an annual basis and to raise the remuneration of the other members from EUR 30,000 to EUR 35,000 on an annual basis, both as of 1 January 2017. It is further proposed to increase the remuneration of the chairpersons of the Audit Committee and the HR Committee respectively from EUR 5,000 to EUR 6,000 on an annual basis. The remuneration of the other members of these Committees will remain at EUR 5,000 on an annual basis. As a result, the remuneration will be in line with the median of the peer group. The out-of-pocket costs of the Supervisory Board members will be reimbursed based on actual expenses. This will replace the fixed cost allowance as of 1 January 2017.

Note to agenda item 10.a (Authorisation of the Executive Board to issue shares or grant rights to acquire shares, resolution)

It is proposed that the Executive Board is designated as the authorised body to issue shares or grant rights to acquire shares

for a period of 18 months, consequently until 10 October 2018. This relates to an option that is expressly provided for by law and integrated in Kendrion's Articles of Association. This authority relates to a maximum of 10% of the Company's issued share capital at the time of the General Meeting of Shareholders to be held on 10 April 2017, augmented by the number of shares to be issued on the basis of the share plan for key management as described in the Annual Report.

Note to agenda item 10.b (Authorisation of the Executive Board to restrict or suspend pre-emptive rights, resolution)

It is proposed that the Executive Board is designated as the authorised body to restrict or suspend pre-emptive rights at the occasion of issuance of shares or granting of rights to acquire shares for a period of 18 months, consequently until 10 October 2018. This relates to an option that is provided for by law and integrated in Kendrion's Articles of Association.

The Executive Board shall exercise the powers as referred to under 10.a and 10.b solely in those instances in which this is of material importance to the continuity of the Company or which result in Kendrion's strategic enhancement. These powers allow the Company to respond promptly to developments. The Supervisory Board shall also need to grant approval for the exercising of these powers. On the Executive Board's designation as the aforementioned body the previous designation by the General Meeting of Shareholders expiring on 11 October 2017 shall be deemed to have been withdrawn.

Note to agenda item 11 (Authorisation of the Executive Board to repurchase shares in the Company, resolution)

It is proposed that the Executive Board be authorised for a period of 18 months, consequently until 10 October 2018, to acquire shares in Kendrion N.V., for Kendrion's account and within the limits prescribed by Kendrion's Articles of Association and the statutory provisions, of an amount to a maximum of 10% of the issued share capital at the time of the General Meeting of Shareholders to be held on 10 April 2017, either by purchase on the stock exchange or otherwise, at a price that does not exceed 110% of the opening price quoted on the Euronext Amsterdam on the day of the purchase of the shares or, in the absence of an opening price, the most recent price quoted on the stock exchange. Decisions made by the Executive Board to repurchase shares require the approval of the Supervisory Board. A repurchase programme for shares that are necessary for distributing stock dividends and for the share plan of management in future years will commence after the distribution of dividends in 2017. On the Executive Board's designation as the aforementioned body the previous designation by the General Meeting of Shareholders expiring on 11 October 2017 shall be deemed to have been withdrawn.

Record date

The persons who have the right to vote and the right to attend the meeting are those persons who are entitled to shares in Kendrion N.V. on Monday, 13 March 2017 as registered in the sub-registers formed by the intermediaries as defined in the Securities Giro Act or, for those persons holding registered shares, who are registered in the shareholders register of the Company on that date.

Attendance of the meeting

Holders of bearer shares who wish to attend the meeting may apply in writing by no later than 17:00 hours on Tuesday, 4 April 2017 via www.abnamro.com/evoting or direct to the intermediaries at which their shares are administered. The intermediaries are to provide ABN AMRO Bank N.V. no later than 17:00 hours on Wednesday, 5 April 2017 via www.abnamro.com/intermediary with an electronic statement that includes the number of shares held on the Record date by the shareholder concerned and which have been applied for registration. With the application intermediaries are requested to include the full address details of the relevant shareholders in order to be able to verify the shareholding on the Record date in an efficient manner.

Holders of registered shares who wish to attend the meeting may apply via www.abnamro.com/evoting until Tuesday, 4 April 2017 (17:00 hours) at the latest.

Proxies

Shareholders unable to attend the meeting in person can grant a proxy, either in writing or by electronic means, to a third party to vote on the shareholder's behalf at the meeting. Shareholders granting proxy will need to have registered their shares before the meeting. Shareholders can issue their voting instructions, by electronic means, on www.abnamro.com/evoting by no later than 17:00 hours on Tuesday, 4 April 2017. Model proxy forms for written voting instructions are available at Kendrion N.V.'s office and on its website (www.kendrion.com) free of charge. Issued proxies must be in the possession of the proxy holder, with a copy (by post, fax or email) to the Secretary of Kendrion N.V.

by no later than 17:00 hours on Tuesday, 4 April 2017. Voting instructions can also be issued electronically via www.abnamro.com/evoting until Tuesday, 4 April 2017 (17:00 hours). In all circumstances, the intermediary will need to issue a statement via www.abnamro.com/intermediary, no later than 17:00 hours (Amsterdam time) on Wednesday, 5 April 2017, stating that the shares were registered in the name of the holder thereof on the Record date whereupon the holder will receive a proof of registration which will also serve as an admission ticket for the meeting. In addition, the intermediaries are requested to include the full address details of the relevant ultimate beneficial holders in order to be able to verify the shareholding on the Record date in an efficient manner.

STRATEGY AND FINANCIAL OBJECTIVES

Kendrion develops, manufactures, markets and sells high-quality electromagnetic systems and components for industrial and automotive applications. The company utilises its know-how, track record in innovation capacity, global footprint and strong commercial relationships to offer solutions to a wide range of customers. The company expects to achieve organic growth in revenue averaging 5% per annum in the three year period ending 2018 and aspires to accelerate this growth in the years thereafter. Kendrion has committed to deliver an EBITA margin of 10% as from the end of 2018.

Kendrion aims to deliver these targets by simplifying the way it does business and by focussing investments in innovation in areas in which Kendrion sees the greatest opportunity for growth. Kendrion is committed to being a transparent company that is aware of the importance of sustainability and its social responsibility.

SIMPLIFY, FOCUS, GROW

Kendrion announced its updated strategy on 3 May 2016. It is founded on three pillars: Simplify, Focus, Grow.



SIMPLIFY



Kendrion has decided it needs to simplify the way it does business. Complexity drives cost and slows down decision-making and Kendrion is reducing costs in order to improve operating margin and profitability.

THREE YEAR PLAN – SPECIFIC FOCUS

- **Cost reduction**
- **Organisational structure**
 - Industrial Magnetic Systems
 - Industrial Control Systems
 - Industrial Drive Systems
 - Passenger Cars
 - Commercial Vehicles

FOCUS



Kendrion will focus its resources and capital on those areas which have the most opportunities for profitable growth.

THREE YEAR PLAN – SPECIFIC FOCUS

- **China**
- **Passenger Cars**
- **Capital allocation**

GROW



The clarity Kendrion will gain through the first two pillars of the plan is intended to allow growth in revenue in a way which will ultimately provide the opportunity to grow faster than the historical average of 5%. Due to the project lead time in Kendrion's business, Kendrion expects organic growth to accelerate in the years beyond 2018.

THREE YEAR PLAN – SPECIFIC FOCUS

- **Automotive market**
 - Fuel systems, engine management, sound systems, fuel cell valves, chassis suspension, seat comfort, haptic pedals
- **Industrial market**
 - Drive systems, conveyor systems, energy generation and distribution, elevator systems, door access and control for machinery, oxygen systems

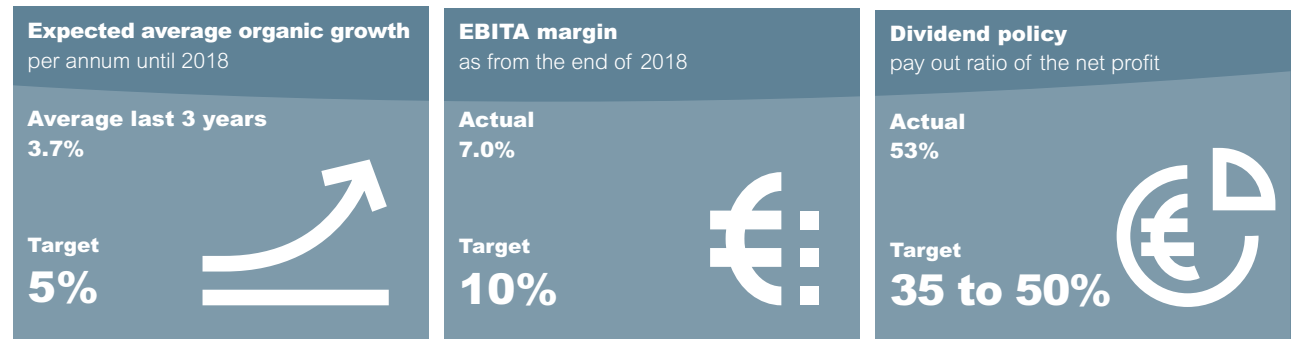
Targeted add-on acquisitions

Kendrion has a strong financial position and has delivered excellent rates of cash conversion which have contributed to a healthy balance sheet. Kendrion endeavours to acquire companies that enhance the company's leading position in its automotive and industrial markets. Acquisition targets need to offer good returns in terms of their EBIT and ROI, preferably at levels similar to or above Kendrion's returns and that leads to an improvement in earnings per share.

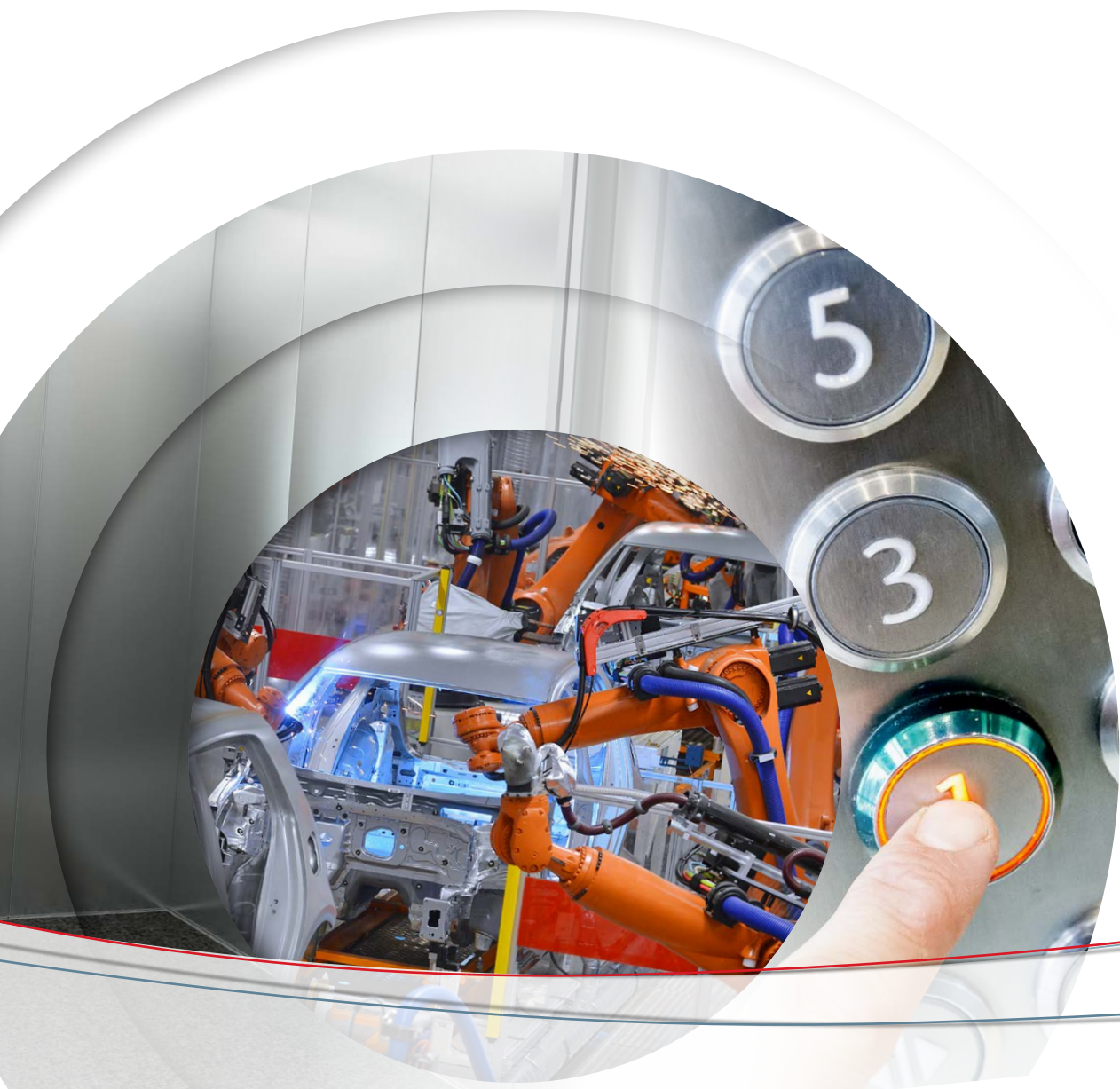
Corporate Social Responsibility (CSR) and sustainability

Pursuant to Kendrion's mission, CSR and sustainability are intrinsic and integral elements of the company's culture and operations. Sustainability is at the core of many of the company's products. Kendrion intends to contribute actively to a sustainable and 'green' environment for the communities in which the company is active. Kendrion strives to integrate its CSR efforts into all elements of its value chain and this is reflected clearly in this integrated annual report. Kendrion's product portfolios include many products that meet customer requirements for energy savings, lower emissions and safety. They can in the longer term make an essential contribution to creating value for all Kendrion's stakeholders and attracting motivated employees.

Strategic financial targets



Kendrion stated its medium-term financial objectives on 3 May 2016. The three-year targets are to deliver an EBITA margin of 10% as from the end of 2018, to grow organically until 2018 broadly in line with Kendrion's average historical organic growth of an average of 5% per annum and to maintain the dividend policy of paying out 35 to 50% of the net profit.

**KENDRION N.V.**

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Kendrion is proud to present its first integrated annual report. It highlights how Kendrion aims to create long-term value, financially and otherwise, for all its stakeholders. For more information on Kendrion, its innovative products and key figures, visit annualreport.kendrion.com or scan the QR code.

