FINAL

Minutes of the general meeting of shareholders of Reed Elsevier N.V.[1] (the *Company*) held on 22 April 2015 10.30 a.m. CET in the Auditorium of the World Trade Center, Strawinskylaan 77, Amsterdam, the Netherlands (the *Meeting*)

1. Opening

Mr Anthony Habgood, the Chairman of the Board, opened the Meeting at 10:30 am and welcomed all present. He stated that he would chair the Meeting and announced:

- that the external auditor was present and available to answer any questions relating to his report on the fairness of the financial statements, tabled under agenda item 4;
- that Mrs Jans van der Woude was appointed as secretary of the Meeting;
- that the Meeting was held in the English language and that a simultaneous translation from English into Dutch was available through headphones;
- that the convocation for the Meeting had been published on the Reed Elsevier website on 10 March 2015 and on the securitiesinfo.nl website of Euronext Amsterdam;
- that a notice announcing that the convocation for the Meeting had been published on the Reed Elsevier website was published in Het Financieele Dagblad 10 March 2015;
- that the Meeting had been convened in accordance with the legal and statutory requirements.

The **Chairman** explained that voting would take place electronically and that if technology would fail, voting would take place by show of hands or, if required, with the voting cards that were handed out at the start of the Meeting. In case of doubt, the number of votes against had to be announced by the secretary of the meeting. The voting instructions received in writing prior to the Meeting would be taken into account when doing this.

The results of the voting for each agenda item would be deferred until the end of the formal part of the meeting. In line with best practice, the voting results would be announced to the Euronext Stock Exchange and published on the website of Reed Elsevier.

Having informed the shareholders that the information relating to the attendance register and the information regarding the number of votes that might be cast at the Meeting were not yet available, the **Chairman** proposed to proceed with the agenda whilst this information was being prepared.

In particular for the benefit of the minutes of the Meeting for which purpose a recording of the Meeting would be made, the **Chairman** suggested those who wished to address the Meeting to use one of the microphones in the meeting room and to introduce themselves by mentioning their name and the name of the person or company represented by them.

The **Chairman** noted that questions could be posed in either English or Dutch; the response would be in English. In addition, the **Chairman** noted that he, as Chairman of the Meeting, reserved the right to limit the time that a shareholder addressed the Meeting in order to ensure that everyone would have the right to participate in the Meeting and could be given the chance to participate in the discussions.

[1] As per 30 June 2015 named: RELX N.V.

After everyone was kindly requested to switch off mobile phones and similar equipment for the course of the Meeting, the **Chairman** handed over to **Mrs Jans van der Woude**, Company Secretary, who gave a brief explanation on the use of the electronic voting system in Dutch.
Since no shareholder had any questions on the use of the electronic voting system, **Mrs Jans van der Woude**, aforementioned, handed back to the Chairman.
The **Chairman** informed the Meeting that in case of any problems, assistance would be available in the room.
Before discussing the annual report 2014, the **Chairman** informed the Meeting that a trading update had been released to the market this morning, and that Mr Erik Engstrom would provide an update on recent developments in more detail later on at the Meeting. He said that Reed Elsevier had continued to deliver on its long term strategic and financial priorities and had continued to achieve underlying revenue and profit growth across all major business units by investing in organic growth and streamlining Reed Elsevier's operations. Reed Elsevier had continued to evolve its portfolio and had spent £ 400 million on acquisitions and realised around £ 74 from disposals. In 2014, Reed Elsevier deployed a total £ 600 million on share buy-backs. It is intended to deploy a further £ 500 million on share buy-backs during 2015, based on Reed Elsevier's strong balance sheet and cash flow. So far, £ 200 million worth of shares in the capital of the Company had been bought back. The **Chairman** concluded that based on this positive financial performance, the Board recommended a final dividend for 2014 that together with the interim dividend paid in August 2014 constituted a 16% increase in the final dividend for 2014 compared to the prior year.
The **Chairman** noted that as reported in February, a review of Reed Elsevier's corporate structure, equalisation ratio and corporate entity names was carried out during 2014 to explore ways in which they might be simplified and modernised. A number of changes were identified which would, if approved, make Reed Elsevier's corporate structure more transparent for shareholders and make it simpler to compare the prices of Reed Elsevier N.V. and Reed Elsevier PLC shares. The **Chairman** mentioned that Nick Luff, who joined Reed Elsevier as CFO in September 2014, would comment further on these changes during the Meeting. The **Chairman** also mentioned that a full description of the changes was set out in the explanatory notes to the agenda for the meeting.
The **Chairman** explained that some of the steps to simplify Reed Elsevier's structure were already implemented while other steps require the approval of shareholders. The shareholders were asked to approve the further steps proposed, including a change to the Company's name, during the Meeting. The **Chairman** concluded that at the annual general meeting to be held in London the day after the Meeting, the shareholders would be asked to approve the same changes. The **Chairman** emphasised that none of the proposed changes would affect the economic or voting interests of the shareholders in the Company.
The **Chairman** went on to explain that the Reed Elsevier PLC annual general meeting of shareholders would be held in London the day after the Meeting, as was also done the year before, and that the agendas of the two meetings were broadly the same.
The **Chairman** explained that before they had now come to the formal business of the Meeting where they would discuss and vote on the resolutions set out in the agenda for the Meeting.

2. Annual report 2014

The **Chairman** proceeded to the discussion of the annual report for 2014. The **Chairman** gave the floor to Mr Erik Engstrom, Chief Executive Officer, to provide a summary of developments during 2014 on behalf of the Board and to comment on current trading. The **Chairman** noted that copies of the slides would be available on the website after the Meeting.

Mr Erik Engstrom gave a presentation (a copy of which is attached to these minutes as *Annex I*) in which he discussed the 2014 results and gave an update on the progress so far in 2015. In summary, Reed Elsevier had made good progress in 2014. The Company's positive financial performance continued with underlying revenue and profit growth across all major business areas and the Company had shown a further improvement in profitability. Reed Elsevier continued to transform its business primarily through organic development in building out its global platforms, adding broader data sets and more sophisticated analytics for electronic decision tools. The Company was extending its efforts to modernise and simplify the Company's corporate structure and share listings. **Mr Erik Engstrom** pointed out that Reed Elsevier maintained good momentum throughout 2014 across its key financial metrics. Underlying revenue growth held up at 3% and underlying adjusted operating profit grew 5%. The earnings per share at constant currencies grew 10% and return on invested capital increased by 0.7% to 12.8%. **Mr Erik Engstrom** further elaborated on the share price performance, the dividend history and the total shareholder return during the past five years in comparison to the AEX Index. **Mr Erik Engstrom** said that the strategic direction of Reed Elsevier to evolve into a company that delivers improved outcomes to professional customers across industries was unchanged. Reed Elsevier was leveraging its deep customer understanding to combine content and data with analytics and technology in global platforms. The Company was achieving its strategic objectives primarily through organic development supplemented by portfolio reshaping through selective acquisitions and divestments, driving an evolution of the Company's business profile and improving the quality of the Company's earnings.

Mr Erik Engstrom continued with a brief trading update. The business trends in the first quarter of 2015 remained consistent with 2014 across the group.

The full year outlook was unchanged and **Mr Erik Engstrom** remained confident that by continuing to execute the Reed Elsevier strategy, another year of underlying revenue, profit and earnings growth would be delivered in 2015. **Mr Erik Engstrom** then gave the floor to **Mr Nick Luff**, the Company's CFO, to further comment on the simplification of Reed Elsevier's corporate structure and the timeline.

Mr Nick Luff gave a presentation (a copy of which is attached to these minutes as *Annex II*) on the proposed corporate simplification; simplifying the company structure and a bonus share issue that would align the shares in the two parent companies. Reed Elsevier previously had a quite complex corporate structure with a separate finance company and a cross shareholding between the two parent companies through its 'R Shares'. The finance company merged into the main operating company; RELX Group plc. The resolution under agenda item 10 concerned the cancellation of the R Shares. The resolution under agenda item 12, together with an equivalent resolution at Reed Elsevier PLC's shareholders meeting to be held the next day, related to the name change into RELX N.V. and RELX PLC. Following the proposed changes, there would be one company, RELX Group plc, owning all the group's activities. That company would continue to be controlled by the two parent companies. The ownership of RELX Group plc would be split into a 52.9% and 47.1% ratio, which would be consistent with the current ownership ratio.

Mr Nick Luff continued to explain that the shares in the parent companies are currently not aligned; the ownership ratio was 1.538 to 1 which made it difficult to compare share prices and other financial data such as earnings per share. Through the proposed bonus share issue, the shareholders of the Company would receive 0.538 bonus shares for each ordinary share currently held. Following the bonus share issue, one share in the Company would be equivalent to one share in Reed Elsevier PLC. **Mr Nick Luff** emphasized that the bonus share issue would not impact economic or voting rights and discussed the implementation timeline.

The **Chairman** thanked **Mr Erik Engstrom** and **Mr Nick Luff** and offered the Meeting the opportunity to ask questions and share observations. The **Chairman** noted that questions which specifically related to the financial statements could be raised under item 4 of the agenda.

The first question came from **Ms Hanekroot**, representing the VBDO (the Dutch association of investors for sustainable development). She congratulated the Company with the financial results over 2014 and mentioned that the VBDO and its members were also interested in the social, environmental and economic impact of the Company. **Ms Hanekroot** referred to the OECD guidelines for multinational enterprises and stressed that these guidelines provide principles on environmental and social aspects, bribery, tax et cetera for multinational companies. She mentioned that a lot of enterprises were already aligned with the OECD guidelines and was keen to know why Reed Elsevier was not officially and explicitly subscribing to the OECD guidelines. **Ms Hanekroot** then discussed a second theme; the social and environmental profit and loss account. This would allow companies to assess their impact in the social and environmental area. It would be helpful to assess and identify risks and it would be beneficial in identifying business opportunities in these areas. **Ms Hanekroot** explained that Puma, by preparing such profit and loss account, discovered that the leather they were using had a huge negative impact after which Puma decided to try to find alternatives. **Ms Hanekroot** asked whether Reed Elsevier would be willing to use such an accounting tool in the near future.

Ms Hanekroot continued with the third theme; the environmental performance of Reed Elsevier. She complimented Reed Elsevier on its progress and encouraged the Company to continue its performance in this area. **Ms Hanekroot** discussed the opportunities of the circular economy. Through the concept of circular economy a company could have an impact on society and on the economic system by trying to transparently manage technical and biological nutrients, allowing to re-use and lengthen the lifecycle of products. **Ms Hanekroot** mentioned that, although Reed Elsevier was not really a production company, there were opportunities and there was a role to play for Reed Elsevier in this area. There was an increasing need for knowledge and solutions for working with circular economy principles. Reed Elsevier as a global information and solution provider could make a difference by publishing relevant and useful information and developing solutions for working with circular economy principles. **Ms Hanekroot** liked to know what Reed Elsevier was doing with this opportunity for its business.

Ms Hanekroot's final question also related to circular economy. She mentioned that one of the items that was a part of a circular economy principle was that producers were encouraged to remain the owner of their products in order to stimulate them to create modular products that could be re-used or refurbished. The sub-parts in nutrients could be split and re-used in future, keeping the so-called waste in the loop as useful materials. Reed Elsevier was already leasing offices, cars and printers while the ownership was remaining with the producers. **Ms Hanekroot** wondered whether it would be interesting for Reed Elsevier to explore more opportunities in its purchasing strategy, as well as to explore more options for leasing, for example economic devices, laptops, furniture, et cetera, for its employees.

The **Chairman** thanked Ms Hanekroot for her kind words and compliments to the Company, both in terms of its financial performance and its environmental efforts, of which Reed Elsevier was very proud. The **Chairman** said that Reed Elsevier had chosen to publicly report its alignment with the UN Global Compact, to which Reed Elsevier was a signatory. A considerable number of subjects of the UN Global Compact was consistent with other standards and guidelines.

With regard to the social and environmental profit and loss account the **Chairman** mentioned that the Company was aware of attempts to measure the different impacts that were established by such profit and loss accounts. He explained that Reed Elsevier was a very international oriented company which must not mislead other people as to what it was doing. Reed Elsevier was aware of these subjects and was willing to work towards this however Reed Elsevier could not commit that it indeed would make use of such social and environmental profit and loss account.

The **Chairman** then addressed the circular economy theme. In many ways Reed Elsevier already operated according to circular economy principles. 100% of the Company's waste was being re-used. He mentioned that Ms Hanekroot was absolutely right in emphasising that Reed Elsevier was not a production company, so there were limits to what Reed Elsevier was able to do. Reed Elsevier could not lease all of its computers as security was incredibly important to its business areas and the Company could not take any risks in that regard. He added that Reed Elsevier was supportive of a lot of environmental initiatives. The **Chairman** invited Ms Hanekroot to further discuss this with the Director Corporate Responsibility after the Meeting.

Ms Hanekroot asked whether Reed Elsevier intended to develop initiatives by publishing relevant and useful information on and developing solutions for working with circular economy principles. Regarding the leasing construction, she mentioned that Reed Elsevier was indeed not a production company, but that there were still thousands of employees having electronic devices like laptops, desktops and furniture. Reed Elsevier had quite some influence as a large company and Reed Elsevier could have an impact in the markets in general by saying that it would like to strive for leasing constructions instead of purchasing such electronic devices as it was not key to its business.

The **Chairman** answered that he believed that the opportunities within this were relatively limited and asked the other members of the Board to share their views.

Mr Nick Luff added that the biggest contribution Reed Elsevier could make was through science, through its journals and what was published. That was the most significant impact Reed Elsevier could have as a company. A lot of the Company's journals were focussed on sustainability and environmental issues.

Ms Hanekroot asked whether these were specifically focussed on circular economy principles. **Mr Nick Luff** answered that such principles should be included in those journals. **Ms Hanekroot** thanked the Chairman and Mr Nick Luff for their answers.

Mr Verwer, representing the VEB (the Dutch Retail Investors Association), mentioned that he had a few questions on Reed Elsevier's strategy. He asked what the ambition of Reed Elsevier or RELX, as it would be called in the future, was. When looking at the results, an underlying revenue growth of 3% was achieved over the last couple of years, which was good for the shareholders but Mr Verwer wanted to know if the members of the Board were satisfied with this percentage. If not, **Mr Verwer** would like to know what percentage would be satisfactory. He further asked whether the Board was looking at more major acquisitions than the ones in the past.

The second theme **Mr Verwer** wanted to address were the rumours in the market that Reed Elsevier intended to sell Elsevier Magazine. He asked whether the Board could respond to those rumours and whether there were negotiations ongoing or if it was intended to keep Elsevier Magazine. **Mr Verwer** also emphasised that the Elsevier brand name should be well protected and he wanted to know how the licensing of the Elsevier brand name would be dealt with should Elsevier Magazine actually be sold. **Mr Verwer** then continued with the recent acquisition by Springer and wanted to know if this was considered to be a threat to Reed Elsevier's business and what the strategic implications for Reed Elsevier were. **Mr Verwer's** last question related to the long-term development of the print publications, which was less than 20% of revenue. He asked if it was foreseen that this number would go to 0% in the long term or if there always would be some remainder of print publications coming from the Company.

The **Chairman** thanked Mr Verwer for his questions. On the question regarding the underlying revenue growth he answered that he hoped that Mr Verwer would never hear 'yes' from a board of directors. He mentioned that if a management team started to be satisfied with what they were doing, the danger would be that complacency was built in and one should always be striving to do better and to improve the results.

The **Chairman** continued by saying that no comments would be given on any rumours in terms of acquisitions or disposals. He then asked Mr Erik Engstrom to answer Mr Verwer's other questions.

Mr Erik Engstrom agreed with the Chairman that no company should ever be satisfied with its historical performance for future purposes. The ambition would be to continue to transform Reed Elsevier meaning that the Company should continue to improve the value delivered to its customers by continuing to combine content and data with analytics and technology in the global platforms. Reed Elsevier should also continue to improve the quality of its earnings in three different ways. The first one was to make the revenues even more predictable over time. The second one was to increase the growth rate of the revenues which was the organic growth in Reed Elsevier's business. Thirdly, the growth rate of the revenues should be increased by increasing returns on invested capital in the business. A shareholder investing in a company wanted to see things coming back in two different ways. One was the yearly distribution of dividends. Those dividends should be predictable and consistent. Dividends should also grow predictably over time. In order to grow the dividends predictably, the Company had to grow organically too. The second thing an investing shareholder was looking for was that the earnings which were not being distributed earn a good return so that this could be distributed as dividend in the future or build up value in the Company. These measures were the key measures for the Company. Reed Elsevier's ambition was to continue to transform the Company and drive those metrics in the right direction over time. Of course, what the result was in any given year would also depend on what happened in the global economy, the local economy, Reed Elsevier's markets and customer markets, but the long-term strategy was to continue to improve on all those measures.

Mr Erik Engstrom then continued to answer Mr Verwer's second question. It was not envisaged to look at major acquisitions. The Company's long-term strategy, a value-creation strategy, was a value-creation strategy for customers as well as for shareholders, primarily driven by organic development and of course supported by small portfolio changes. **Mr Erik Engstrom** agreed with the Chairman that market rumours or speculation about any of the Company's assets were not commented on. He further explained that the Springer/Macmillan merger was not considered to have any material implications for Reed Elsevier's business. Springer and Macmillan were already well-established, large and successful companies. It was not expected that combining those two should have any material impact on Reed Elsevier. **Mr Erik Engstrom** replied to the question on print publications that it was expected that the use of Reed Elsevier's information would continue to migrate from print to electronic. As an overall ratio, it has migrated between 1% and 2% down to 18% last year. It was not expected to go to zero in the next few years, it would probably continue to drop by one to two percentage points per year.

Mr Verwer thanked Mr Erik Engstrom for his answers. Although he understood that no comments could be given on any rumours, he liked to know how the licensing of the brand name Elsevier would be dealt with should Elsevier Magazine be sold.

Mr Erik Engstrom repeated that no comments would be given on speculations or hypothetical scenarios. He explained that Elsevier was a very old, valuable and traditional name which was recognised in the world of science. In the global world of science, the Elsevier division that uses the Elsevier brand name globally was a business unit worth probably € 10 billion or more. It was probably the most recognised name in the world of science. No matter what would happen to any of Reed Elsevier's assets, including Elsevier, the name and brand Elsevier will continue to be nurtured and continued to be protected as a valuable name for the Company's largest division.

The next question came from **Mr Niekamp,** who used to be the head of the internal audit service of Reed Elsevier. He first complimented the Board on the results. He went on to say that he felt disappointed that the matter of the pension curtailments was still not resolved. As Reed Elsevier refused to fund the remaining shortfall of the pension fund, the pension fund had been obliged to make curtailments by DNB. **Mr Niekamp** mentioned that it was said that Reed Elsevier did not make such contribution as this seemed premature in light of the recent negotiations regarding a new pension scheme. The negations regarding the new pension scheme were not going very well and could end up in legal conflicts which would not be good for Reed Elsevier's business. It disrupted the relationships with old employees while these problems could be solved by contributing a relatively small amount. It was also unfair to Reed Elsevier employees who multiplied the value of the business by thirty times in the eighties. **Mr Niekamp** concluded that financially this should not be a problem and that there were sufficient provisions. **Mr Niekamp** thought that this matter should be settled and that employees were the Company's most valuable capital. Not settling this matter was very disturbing.

The **Chairman** thanked Mr Niekamp for his congratulations on the performance of the Company. The **Chairman** explained that the issue of the pension schemes – defined benefit pension schemes versus defined contribution pension schemes – was a huge issue for all companies. Negotiations on the pension schemes had to be completed because an unsustainable system could not be continued. The **Chairman** considered this to be a big issue. In the overall business of the Company it was considered to be quite small as the Netherlands was a small part of the overall organisation but in principle, it was a very big issue. The nature of Reed Elsevier's pension schemes across the whole world were changing in line with almost all other large companies. The **Chairman** was aware of Mr Niekamp's specific issue with SPEO and asked Mr Nick Luff to comment on that later. The **Chairman** said that in his view fair solutions for the pension issues across the whole company were being reached. In other countries this was done by closing defined benefit schemes and switching to defined contribution schemes. The **Chairman** agreed with Mr Niekamp that Reed Elsevier's employees were the most valuable assets who should be treated properly and fairly across the whole of the organisation.

Mr Nick Luff added that the Company and employees both contributed to the pension fund in the Netherlands whilst the employees were employed by the Company. That was done to target a certain level of benefits. However, that was a target and it was a matter for the trustees as to how much actual benefit was paid out. The trustees obviously had to manage the fund prudently, taking into account regulations, changes in interest rates, changes in longevity assumptions, et cetera. Sometimes the trustees had to make adjustments to those benefits as they were paid and they did not always hit the target. That was a matter for them as trustees, questions on adjustments that have been made should be directed those at the trustees.

Mr Niekamp replied that he thought it was not fair to refer this matter to the pension fund. The pension fund was affiliated with Reed Elsevier and one might expect that the provisions were applied to assist the pension fund in case of problems and shortfalls. According to Mr Niekamp, based on EU guidance Reed Elsevier was obliged to take precautions in case of shortfalls in the pension fund. **Mr Niekamp** thought that from a financial perspective it should not be a problem for the Company to fund the pension fund and that in his opinion it seemed to be a strategic choice not to do so. This was not fair to the Reed Elsevier employees and bad for the Company if this was to be continued. **Mr Nick Luff** answered that Reed Elsevier should have a sustainable position for the pension scheme in the Netherlands and the Company had been working towards that and had not yet found the right solution. In the Netherlands there was a targeted level of benefits and sometimes adjustments had to be made. That was the way the scheme and the mechanics worked.

Mr Niekamp stated that he hoped that a solution that honoured the former Reed Elsevier employees would be found soon. He thought that the Company was playing a game that strategically was more important to the overall policy which harms the retirees and current employees of Reed Elsevier.

Mr Nick Luff replied that he assumed that a sustainable solution for the pension fund in the Netherlands would soon be found.

Mr Niekamp had a question for the external auditor. He explained that it was of importance to the NBA (The Netherlands Institute of Chartered Accountants) that the quality of the external audit would be improved. According to **Mr Niekamp**, in this context it was important that listed companies had an adequate internal audit service. The internal audit service should comply with certain standards in order to function properly. **Mr Niekamp** mentioned that he asked the same question at the 2014 AGM: in his opinion the internal auditor was not correctly positioned within the organisation of Reed Elsevier. The internal auditor reported to the CFO instead of to the CEO. One could not expect that the internal auditor monitored his own boss. According to Mr Niekamp, the internal auditor should report to the CEO to be able to properly monitor the CFO and that this was a best practice provision of the Institute of Internal Auditors and the SEC. Furthermore, **Mr Niekamp** thought that the internal auditing service should not only look at operational matters, but also at the financial audit, an 'integrated' audit. **Mr Niekamp** liked to ask when this would be adjusted in order for Reed Elsevier to have a qualified internal audit service.

The **Chairman** replied that the internal auditor reports to the Audit Committee chaired by Mr Ben van der Veer and asked Mr Ben van der Veer to respond.

Mr Ben van der Veer answered that the Audit Committee was glad that Reed Elsevier had an internal audit service with which it regularly consults. At the beginning of the year, the Audit Committee began by discussing the audit plan of the internal audit function to discuss the workflow and the focus on certain risk areas. Furthermore, the Audit Committee reviewed and discussed the reports by the internal auditor during the year. The internal audit service reported to the Audit Committee. **Mr Ben van der Veer** explained that he, as chairman of the Audit Committee, had one-on-one conversations with the head of Internal Audit and Risk on a very regular basis to ensure that he was aware of everything that was going on. The day-to-day reporting formally was done to the CFO but there was an open and transparent communication with the CEO. The CEO attended almost every meeting of the Audit Committee in 2014. Reed Elsevier recognised the importance of a well-functioning internal audit service and every two or three years the internal audit service was reviewed by an external firm to check whether it operated in line with best practice provisions. **Mr Ben van der Veer** stated that he was of the opinion that Reed Elsevier was well equipped with a proper internal audit service which had a good framework mainly focussed on operational audits.

Mr Niekamp repeated that he thought that this was not in line with the best practice provisions. The internal auditor should be instructed by the CEO instead of the CFO and that sooner or later Reed Elsevier would be obliged to change this. **Mr Ben van der Veer** replied that the Audit Committee instructs the internal audit function and reviewed and approved the internal audit plan. He emphasised that the instructions did not come from the CFO but from the Audit Committee. **Mr Niekamp** responded that in the past, when he was an internal auditor, he had weekly work meetings with the CEO. He wanted to know with whom the internal auditor had its daily or weekly work meetings. He thought that this could not be the Audit Committee as the Audit Committee only met six times per year. **Mr Ben van der Veer** repeated that in comparison with other listed companies and on the basis of discussions with other experts in this field, Reed Elsevier had a well-functioning internal audit service. **Mr**

Niekamp stated that he thought that Reed Elsevier was the only company that had the internal audit functioning under the CFO.

The **Chairman** concluded that there were no further questions and noted that the discussion on the annual report for 2014 had now been concluded.

The **Chairman** went on to report that the holders of the following number of shares were present and represented at this meeting:

- approximately 545 million ordinary shares, having a nominal value of € 0.07 each; and
- approximately 4 million R-shares, having a nominal value € 0.70 each,

as a result of which approximately 585 million votes could be cast. The actual nominal share capital represented at the meeting was fractionally lower because not all shareholders who registered for the meeting were able to attend in person. The exact amount of the share capital represented would be published together with the voting results. The total issued and outstanding nominal share capital excluding treasury stock at the moment of the Meeting was comprised of approximately 651 ordinary shares and 4 million R-shares. A quick calculation indicated that approximately 84.6 % of the share capital was represented at the Meeting. The **Chairman** commented that this was a lot higher than it had been historically and that that was obviously pleasing for the Company as it showed a high degree of interest in the Company.

Some registrations had granted a proxy to the Company Secretary. These voting instructions had been processed by entering the voting instructions for each individual agenda item into the electronic voting system. These proxies given to the Company Secretary would therefore be included in the voting result.

3. Implementation of the remuneration policy in 2014

The **Chairman** mentioned that the agenda of this meeting included the implementation for the remuneration policy as a discussion item, without voting, prior to the adoption of the annual accounts. The director's remuneration report was contained in the Reed Elsevier annual report and financial statements, pages 78 to 94. It gave details of the remuneration of the Company's directors. The **Chairman** asked if there were any other questions or observations. He mentioned that any questions that specifically relate to the financial statements could be raised under the next item on the agenda.

Ms Veltmeijer-Smits (representing Triodos Investment Management and also speaking on behalf of MN, Menzis Zorgverzekeraar and Robeco) mentioned that Dutch shareholders still did not have the opportunity to vote on the Remuneration Report regarding remuneration policy and emphasised her concern regarding the remuneration policy, the over-complexity of the policy, and the potential excessiveness of the policy. She noted that the Company introduced some improvements in the past, such as the introduction of the claw-back provision, but her main concerns were still there. **Ms Veltmeijer-Smits** welcomed the simplification of the organisation structure and suggested that, as a very good next step, a simplification of the remuneration policy, including more challenging targets and specifically sustainability-related performance targets as well as a better balance between the fixed and the variable pay of the Company would be welcomed. **Ms Veltmeijer-Smits** mentioned that in 2014, 11% of the UK shareholders voted against the Remuneration Report at the AGM in the UK which was why she thought that these changes would also be welcomed by other shareholders.

The **Chairman** thanked Ms Veltmeijer-Smits and expressed to be glad to hear that she welcomed the structure simplification. He thought it was hugely beneficial for the shareholders to be able to have a transparent view of the organisation structure and the economic interests.
Regarding the remuneration policy the **Chairman** liked to share his personal view. Having been in business a long time and having watched a lot of scandals develop in companies and things going wrong, he thought that univariate remuneration structures were very dangerous. He preferred a remuneration policy which was not putting everything on the performance of profit, EPS or one of these things, but a policy which is rather multivariate.
Ms Veltmeijer-Smits mentioned that her question was not answered.
The **Chairman** replied that there was a drive towards simplification of remuneration policies and having univariate remuneration structures. It was easier for lobby groups to focus on one thing but for a company that was a very dangerous thing to do. It was quite easy to point to a lot of examples where simple remuneration structures had proved to be very dangerous for organisations.
Ms Veltmeijer-Smits replied that there was a difference between the remuneration structure and the performance targets and she did not ask to focus on one performance target. Having multiple variable pay schemes makes it very complex to understand. **Ms Veltmeijer-Smits** asked to make the schemes easier to understand.
The **Chairman** mentioned that there were a lot of different targets on purpose; total shareholder return, return on capital, earnings per share, the share price itself, and so on. There were a lot of different measures that the Company was trying to use. When he designed the REGP – which was the scheme that paid out a lot in 2014 – he listened to all the different shareholders and he tried to take account of their different views. He tried to make an appropriate multivariate system that would satisfy the vast majority of the different views which was difficult as everyone had different views. The Chairman thought that the remuneration structure ended up to doing what the majority liked it to do.
Ms Veltmeijer-Smits invited the Chairman to come and talk to Triodos as well the next time the remuneration policy is looked at.
The **Chairman** replied that the REGP was designed five years ago and that the Company also talked to Triodos at that time. It was put together in a time that the Company was not doing very well. Putting together a scheme that was satisfactory at that time was not easy. He mentioned that he had taken note of Ms Veltmeijer-Smits's points.
Mr Verwer mentioned that he enjoyed listening to the discussion regarding the remuneration policy and thought it to be very meaningful. The VEB had the opinion that the Company's remuneration policy was too complex, but also understood the Company's point of view. As the remuneration policy was not up for adoption by the Meeting, **Mr Verwer** didn't want go into too many details. He suggested coming to some kind of compromise where the remuneration policy did not focus on too few criteria and to keep the number of criteria high enough, but to try and reduce the huge number of different components of the remuneration policy and the different plans inside the plan.
Mr Verwer had a question on the Remuneration Report. He was happy to see that the Remuneration Report became a bit more transparent regarding the personal targets of the executives which was noted and appreciated. He mentioned that it did not have the level of

transparency the VEB would have liked to see but it was moving in the right direction. **Mr Verwer** also wondered about the comparator groups for the used TSR. The Remuneration Report mentioned that there were three different comparator group and they consisted of 40 companies. He was not able to find which companies these were and asked if this information was disclosed anywhere.

The **Chairman** asked Mr Wolfhart Hauser to answer. **Mr Wolfhart Hauser** mentioned that it was disclosed in of the previous reports to shareholders. He explained that Reed Elsevier was a very international company with listings in Amsterdam and in London and of course the secondary listings in New York of both companies. In that context it was decided that the relevant companies against whom Reed Elsevier should be measuring itself were both in the US, in the Eurozone and in London. There were 40 companies in each of those zones. Certain sectors of the economy, like oil companies and banks, were excluded. Other than that, it was a broad industrial set of companies of an equal number slightly bigger and slightly smaller than Reed Elsevier.

Mr Verwer understood what the Chairman was saying and asked to know the names of the companies in the comparator groups. The **Chairman** replied that he was told that the names were included in the attachment to the notice of the Meeting. **Mr Verwer** asked if there could be any changes through these comparator groups from year to year.

The **Chairman** said that these should be renewed from time to time as companies merge, companies get better or companies go bankrupt but in principle the Company should be measured against the group to begin with throughout the course of that plan. Changes for the next plan should be made if there is a reason to.

Mr Verwer asked if he could assume that whatever was in the document when the plan was originally adopted was still in effect. The **Chairman** confirmed his understanding. **Mr Verwer** concluded that it would be nice if this would also be part of the Remuneration Report.

As there were no further questions, the **Chairman** noted that the discussion on the implementation of the remuneration policy for 2014 had been concluded.

4. Adoption of the 2014 Annual Financial Statements

The **Chairman** moved on to the following item on the agenda, which was the adoption of the annual financial statements for 2014 contained in the Reed Elsevier annual report and financial statements 2014. The financial statements had been drawn up by the Board and audited by the external auditor, Deloitte's Accountants B.V. Amsterdam, who had issued an unqualified opinion. The Board proposed that the shareholders' meeting adopts the annual financial statements for 2014 and the proposed allocation of the net results. The **Chairman** asked if there were any questions or remarks.

Mr **Verwer** had a few questions regarding the organisation of the external audit. These questions were related to the simplification of the company structure. He noted that there have been some name changes but that he would refer to old names of companies. There was a Dutch external auditor and an English external auditor. **Mr Verwer** liked to know if there was a hierarchical relationship between them and, specifically for the Dutch company, how the Dutch external auditor ensured that the work that was done by his English colleague was correct. **Mr Verwer** further wanted to know who the external auditors of Reed Elsevier Group plc and Elsevier Reed Finance B.V. were and if they used the same materiality criteria as for the ultimate parent companies. He also asked if the simplification of the corporate structure had implications on the external audit organisation in the future.

Mr Verwer noted that there were essentially three audit committees, one for Reed Elsevier PLC, one for Reed Elsevier N.V., and one for Reed Elsevier Group plc. He wondered whether those committees acted as one single entity in practice or if there were really three separate audit committees.

The **Chairman** referred to Mr Ben van der Veer to answer these questions as chairman of the Audit Committee, since the external auditor reports primarily to the Audit Committee. He didn't think that the intention of simplification was to change the external audit relationships.

Mr Ben van der Veer answered that the external audit was always discussed by the Audit Committee and at beginning of the year, the Audit Committee usually began by discussing the audit plan for the year to come with the external auditor. Deloitte was the external auditor for all business divisions. The two lead partners from Deloitte UK and Deloitte Netherlands both always attended all meetings of the Audit Committees to ensure that approaches were aligned. The simplification of the corporate structure was not intended to change the audit by the external auditor although the approach might become somewhat simpler as a result of the simplification. **Mr Ben van der Veer** continued by saying that there were indeed several audit committees as a result of the organisational structure of Reed Elsevier. Separate minutes were prepared. It was tried to solve this as practical as possible, so that there was a proper alignment. **Mr Verwer** repeated his question on the materiality criteria. **Mr Ben van der Veer** asked Mr Marco van der Vegte, partner of Deloitte Accountants B.V. and lead partner of Reed Elsevier N.V. to answer that question. **Mr Marco van der Vegte** replied that Deloitte released a comprehensive external auditor's report, which was included in the annual report on page 132. The financial statements of Reed Elsevier N.V. were included on page 190 of the annual report. The concept of materiality was explained in Deloitte's report. A materiality of EUR 85 million was applied for the consolidated financial statements and for certain group components a lower materiality of GBP 30 million was used. For the finance organisation a lower materiality was applied and a higher materiality for the group audit.

Ms Veltmeijer-Smits thanked the Board for publishing the CR report well in time before the Meeting and for providing a good extensive summary of the CR report in the Annual Financial Statement. She mentioned that long-term investors increasingly look beyond the financial facts and figures and that it was very important for companies to communicate about business governance, strategy, prospects and value creation on the mid and the long term. In 2013, the International Integrated Reporting Council (IIRC) presented the reporting framework which provided a very good way to combine all information that was relevant to assess the long-term performance of a company in one single integrated report. Looking at Reed Elsevier, the Company claimed to make a positive impact through knowledge, resources and scale. **Ms Veltmeijer-Smits** thought that it seemed that Reed Elsevier already had an integrated thinking in its business strategy and it seemed like a small step to report in an integrated way as well. She called upon the Company to publish an integrated report and to produce such a report over 2015, preferably in line with the framework as developed by the IIRC.

Ms Veltmeijer-Smits had two questions on the sustainability report. She complimented the Company with its sustainability performance and the extensive reporting about sustainability

performance. It seemed that Reed Elsevier reported on all major sustainability items. **Ms Veltmeijer-Smits** was pleased to see that the Company managed to improve its performance over 2014. She had two questions on two indicators on which the performance had worsened in 2014. The first key performance indicator was the severity rate Health and Safety which increased from 1.81 to 4.9. **Ms Veltmeijer-Smits** wanted to know why this increased and what the Company would do to bring this down. The second KPI was the number of key suppliers in the SRS Database which decreased from 613 to 499. **Ms Veltmeijer-Smits** liked to know what caused this decrease and what the Company intended to do to increase this number. She further wanted to hear the percentage of the high risk suppliers that were included in the database and what defined a 'high risk supplier'.
The **Chairman** thanked **Ms Veltmeijer-Smits** for her compliments on bringing the corporate responsibility report out in a timely manner which was something the Company really concentrated on four or five years ago. It may not have been integrated into the report but it was an integral part of the report. Many KPI's were fully integrated into the way the Company did business and in the way it was reported. The **Chairman** mentioned that a lot of people wanted things in slightly different ways and that he was not familiar with the IIRC-framework. He invited **Ms Veltmeijer-Smits** to discuss this after the Meeting with the Director Corporate Responsibility.
The **Chairman** continued by thanking **Ms Veltmeijer-Smits** on her kind words with respect to the sustainability report. A lot of work had gone into that, not only into the report but also into the substance behind the report. There were some very impressive numbers in terms of the progress Reed Elsevier made. He mentioned that **Ms Veltmeijer-Smit** was quite right to pick out the Health and Safety but explained that Reed Elsevier was not a big manufacturing company. There were four incidents that made the difference between those numbers. None of them were severe in terms of being fatal but they did account for quite a bit of time taken away from the workplace. None of them actually took place in the workplace. They were things like getting in and out of taxis and cars, rather than real workplace injuries. The numbers could be a bit deceptive but should that trend be continuing next year, the **Chairman** asked Ms Veltmeijer-Smit to remind the Company loud and clear that this was becoming a trend. The **Chairman** emphasised that this was a very specific set of things on a very small scale.
The **Chairman** referred to Mr Nick Luff to answer Ms Veltmeijer-Smits' question on the decrease of the suppliers on the database, which was part of a supplier rationalisation process.
Mr Nick Luff answered that Reed Elsevier was trying to reduce the number of suppliers the Company was dealing with generally because that would be more efficient. This also meant that the Company was going to have a greater impact working with fewer suppliers in terms of corporate responsibility issues. The reduction in those numbers of suppliers in the database reflected that.
Mr Nick Luff explained that the high risk suppliers were categorised through an assessment tool which looked at a number of factors, such as the geography the supplier was operating in, the type of product, the nature of the product that the supplier was providing the Company with and things like labour practices in that industry or that country. The assessment tool identified 56 high risk suppliers of a total of 499 suppliers, which was 11%. Obviously, the supplier audit programme was specifically focussed on those higher-risk suppliers.

Ms Veltmeijer-Smit asked Mr Nick Luff to explain how high risk suppliers were defined and what the indicators were.
Mr Nick Luff answered that an assessment tool was used with a range of factors, such as the relevant industry, what the nature of the product was, the track record of that industry, which country the supplier was operating in and how that country looked at thinks like labour practices, anti-corruption and environmental issues. Through those indicators high risk areas and industries were identified that should be focussed on. **Ms Veltmeijer-Smits** wanted to know what percentage of the high risk suppliers was included in the database. **Mr Nick Luff** explained that 499 suppliers were included in the database of which 56 were high risk suppliers. **Ms Veltmeijer-Smits** asked whether all high risk suppliers were included in the database. **Mr Nick Luff** stated that all significant suppliers were put through the database.
Ms Hanekroot also had two questions on the topic of the social performance of Reed Elsevier. She noted that Reed Elsevier had made big steps forward and complimented the Company on that. She wanted to highlight the existence of complaint and remedy processes. **Ms Hanekroot** noted that Reed Elsevier had a whistle-blower policy for its employees. There was a feedback option on the Reed Elsevier website for stakeholders. There were feedback mechanisms and surveys for other stakeholders in general. There was also a confidential line for key suppliers. **Ms Hanekroot** liked to learn more about a general, an all-encompassing complaint and remedy process of Reed Elsevier as she was not sure that all other stakeholders, including members of the pension fund, knew where to go with their complaints and grievances. This was not only for the purpose of stakeholders being able to voice their concerns but also for communities, civil society organisations or individuals. She explained that it seemed important to have such a grievance mechanism in place because it was also an opportunity for the business to prevent reputation damage and to be able to repair damages that may have been done at an early stage.
The **Chairman** thanked Ms Hanekroot for acknowledging the steps forward that the Company had made. He had not heard or thought of an all-encompassing grievance mechanism before, partly because for internal whistleblowing it was extremely important that there was a way of dealing with that on a highly confidential basis.
The **Chairman** explained that it was important to protect both the whistle-blower and the person who was being alleged against, if somebody is for some reason or another, until there was enough knowledge. It was a very difficult process but one of which the **Chairman** believed the Company was pretty good at. A lot of companies had made a lot of progress along those and the Company had certainly tried to. The **Chairman** mentioned that when things were applied to the whole world and that any anonymous letter complaining about anything would be welcome and treated in the same way, he expected to get a slightly different scene, of which he hadn't thought before. He mentioned that he was reacting slightly negative to applying the same rules to the whole world as a company needs to have a very confidential internal mechanism. He asked Mr Nick Luff to comment on this.
Mr Nick Luff said he agreed with the Chairman as there was a difference in nature in terms of the whistleblowing and the need to protect the employee whereas an outside party would be in a different position. The Company had feedback mechanisms in place that were relevant and appropriate for the different stakeholder groups. The Company continued to look at these

subjects to see what enhancements could be made. He emphasised that having the right thing in place for each stakeholder group and the right forum for them was the most important thing.
Ms Hanekroot thanked Mr Nick Luff for his response and she appreciated the difference between employee relationships and other relationships of Reed Elsevier. She explained that there certain sorts of dependency relationships such as with editors and authors, who were more or less depending on Reed Elsevier. They might need an explicit grievance mechanism that could help them to improve the relationship.
The **Chairman** asked Mr Erik Engstrom to comment on that.
Mr Erik Engstrom mentioned that the Company had specific procedures for each individual publication through which it was possible to interact with that publication on topics as the editorial processes, the editorial decision-making processes and the editorial complaint procedures and the appeals on procedures. These procedures were very specific and very clearly articulated and there was a procedure in place for each of Reed Elsevier's publications.
Mr Erik Engstrom mentioned that when the Board spoke to the internal compliance group, he asked them to periodically review the procedure to ensure that these were clear and understandable and being followed. **Mr Erik Engstrom** mentioned that he could not be involved in any specific editorial decision or any specific editorial complaint, as editorial decisions were completely separated from management and the commercial interests of the Company. There were procedures in place and there were specific instructions of how to complain about something for each publication.
The **Chairman** concluded there were nog further questions.
The **Chairman** kindly asked the Meeting to vote on the proposal to adopt 2014 annual financial statements. The **Chairman** reminded the Meeting that votes were cast by pressing the button on the handset corresponding to the way one wants to vote: number 1 was 'yes', number 2 was 'no' and number 3 was 'abstain'.
The **Chairman** closed the voting and reminded the Meeting that, as indicated before, the voting results would be shown at the end of the Meeting with the other results.

5. Release from liability of the directors

After the annual financial statements had been adopted, the **Chairman** requested the Meeting to release the executive directors from liability for their management during 2014, and to release the non-executive directors from liability for their performance and in particular for their supervision of management.

5.a. Release from liability of the executive directors

The **Chairman** first brought agenda item 5.a. to the vote, being the release from liability of the executive directors. The **Chairman** kindly requested the Meeting to vote. The **Chairman** closed the voting.

5.b. Release from liability of the non-executive directors

The **Chairman** moved on to next item 5.b. on the agenda, which related to the release from liability of the non-executive directors. As no one wanted to add anything in respect of this subject, he asked the Meeting to vote. The **Chairman** closed the voting.

6. Determination and distribution of dividend

The **Chairman** proceeded to agenda item 6, regarding the determination and distribution of dividend. He said that the equalized final dividend as proposed by the boards of Reed Elsevier

N.V. and Reed Elsevier PLC was € 0.438 for Reed Elsevier N.V. and 19 pence for Reed Elsevier PLC. Together with the interim dividend of € 0.151 paid by Reed Elsevier N.V. on 20 August last year, this equalled a total 2014 dividend of € 0.589. Compared to the year before, this was an increase of 16%. The dividend proposal was in accordance with the dividend policy approved by the Meeting in 2005, whereby dividends shall normally in the longer term be covered at least twice by adjusted earnings.
The **Chairman** then kindly asked the Meeting to vote on the dividend proposal. The **Chairman** closed the voting.

7. Appointment of the external auditors

The **Chairman** proceeded to agenda item 7, the appointment of the external auditor. He mentioned that the Audit Committee had conducted a formal review of the performance of the external auditor during the audit of the financial year ending on 31 December 2014, the effectiveness of the audit process and the independence of the external auditor in respect of the Board. Based on these reviews, which included gaining feedback from key stakeholders across Reed Elsevier, and after discussions within the Audit Committee, it was considered that Deloitte was performing satisfactorily as an external auditor. On the basis of this review and the subsequent observations on Deloitte’s planning and execution of the audit work, the Audit Committee had recommended the reappointment of Deloitte Accountants B.V. as external auditor of the Company for the audit of the financial statements and results for 2015.
The Audit Committee had commenced an audit tender process for rotation of the audit firm in respect of the 2016 financial year. The audit tender process was expected to be concluded by the middle of 2015 and the selected audit firm would be proposed for appointment at the 2016 Annual General Meeting. In accordance with the applicable legislation, Deloitte Accountants B.V. was not eligible to participate in this tender. In accordance with the Audit Committee's recommendation, the Board proposed that Deloitte Accountants B.V. of Amsterdam be reappointed as the Company's external accountant for a period that shall cease at the AGM in 2016. For their audit of the results and Financial Statements of Reed Elsevier combined businesses, the external auditor will cooperate with Deloitte LLP of London, who was proposed to be reappointed by the AGM of Reed Elsevier PLC the day after the Meeting. The conditions of this appointment, including the fixing of the remuneration of the auditors, would be determined by the non-executive directors in accordance with proposals from the Audit Committee.
In accordance with the Audit Committee’s recommendation, the Board proposed that Deloitte Accountants B.V. of Amsterdam be reappointed as the Company’s external accountant for a period that would cease at the annual general meeting in 2016. For their audit of the results and financial statements of Reed Elsevier combined businesses, the external auditor would cooperate with Deloitte’s LLP of London, who was proposed to be reappointed by the annual general meeting of Reed Elsevier PLC the day after the Meeting. The conditions of this reappointment, including the fixing of the remuneration for the auditors, would be determined by the non-executive directors in accordance with the proposals from the Audit Committee.
The **Chairman** asked if anyone wanted to address the Meeting.

Ms Veltmeijer-Smits asked whether it was possible to share some further information on the process of the audit tender. She liked to know how many accountancy firms were invited and what the applied performance or selection criteria were.

The **Chairman** asked Mr Ben van der Veer to answer that question and noted that regrettably there were only four accounting firms in the world that could deal with a company like Reed Elsevier of which one was not able to compete pursuant to Dutch legislation.

Mr Ben van der Veer confirmed that three firms were invited which must possess the global capabilities and scope to serve a global company like Reed Elsevier. The Audit Committee was running the tender process and would assess the firm against a number of pre-determined criteria, such as the quality of the proposed audit and adequate experience of the team, organisational capabilities, efficiency, cultural fit, transparency, and the plan for the transition to the audit services from the current audit firm. **Mr Ben van der Veer** emphasised that he was not referring to fees which was not the most important thing. Quality was the top priority. The Audit Committee was looking for coverage, industry expertise, and excellent people at the top of the audit firm representing that firm who were able to provide added value to the Company. The Audit Committee met with the proposed lead partners in that process to give its initial observations. If somebody was not to the Audit Committee's liking, the Audit Committee would immediately react to that. The tender was running as scheduled, the time schedule was announced by the Chairman.

The **Chairman** then kindly asked the Meeting to vote on the proposal to re-appoint Deloitte Accountants B.V. The **Chairman** closed the voting.

8. Re-appointment of the non-executive directors

The **Chairman** moved on to agenda item 9, the re-appointment of the non-executive directors. He referred to the explanatory notes to the agenda and the detailed biographical information concerning each candidate for re-appointment contained therein. During 2014, the Corporate Governance Committee appointed an external facilitator to carry out an independent effectiveness review of the Board and its committees. Based on this review, the Nominations Committee believed that the contribution and performance of each board member seeking re-appointment continued to be valuable and effective, and that they had each demonstrated commitment to their respective roles in Reed Elsevier.

The **Chairman** explained that Lisa Hook served on the Board for nine years in April 2015. In order to allow for an orderly transition to newly appointed non-executive directors and after having determined that Ms Lisa Hook remained independent of character and judgement, the Nominations Committee had requested Ms Lisa Hook to be available for re-appointment for a period of one year after this AGM. Ms Lisa Hook had served three terms, each of three years, as a non-executive director, which was within the maximum of 12 years under the Dutch Corporate Governance Code. Under these special circumstances, Ms Lisa Hook was eligible and had stated her willingness to accept a re-appointment. Accordingly, the Nominations Committee recommended the re-appointment of all the non-executive directors and, in accordance with the recommendation of the Nominations Committee, the re-appointment of these non-executive directors was also recommended by the Board. The **Chairman** asked if anyone would like to address the Meeting on these re-appointments.

As no one wanted to address the meeting, the **Chairman** proceeded to agenda item 8.a. As this related to his own re-appointment, the **Chairman** passed over to the Company's senior independent director, Ms Lisa Hook, to deal with this agenda item. **Ms Lisa Hook** thanked the Chairman, and invited the Meeting to vote under agenda item 8.a on the re-appointment of Mr Anthony Habgood. **Ms Lisa Hook** then closed the voting and passed back to the **Chairman** to deal with the remaining items on the agenda.

The **Chairman** thanked Ms Lisa Hook, and proceeded to voting under agenda item 8.b and invited the Meeting to vote on the re-appointment of Dr Wolfhart Hauser. The **Chairman** then closed the voting.

The **Chairman** proceeded to voting under agenda item 8.c and invited the Meeting to vote on the re-appointment of Mr Adrian Hennah. The **Chairman** then closed the voting.

The **Chairman** proceeded to voting under agenda item 8.d and invited the Meeting to vote on the re-appointment of Ms Lisa Hook. The **Chairman** then closed the voting.

The **Chairman** proceeded to voting under agenda item 8.e and invited the Meeting to vote on the re-appointment of Ms Marike van Lier Lels. The **Chairman** then closed the voting.

The **Chairman** proceeded to voting under agenda item 8.f and invited the Meeting to vote on the re-appointment of Mr Robert Polet. The **Chairman** then closed the voting.

The **Chairman** proceeded to voting under agenda item 8.g and invited the Meeting to vote on the re-appointment of Ms Linda Sanford. The **Chairman** then closed the voting.

The **Chairman** then proceeded to voting under agenda item 8.h, regarding the re-appointment of Mr Ben van der Veer. The **Chairman** then closed the voting.

9. Re-appointment of the executive directors

The **Chairman** continued with the following item on the agenda, which was the re-appointment of the executive directors. He referred to the explanatory notes to the agenda and the detailed biographical information concerning candidates for re-appointment contained therein. Based on the review of the Corporate Governance Committee and the Board effectiveness review, the Nominations Committee had recommended the re-appointment of each executive director of the Board, and accordingly the re-appointment of these executive directors was recommended to the Meeting by the Board. As no one wanted to address the Meeting, the **Chairman** proceeded to voting under agenda item 9.a regarding the re-appointment of Mr Erik Engstrom. The **Chairman** then closed the voting.

The **Chairman** moved on to voting under agenda item 9.b regarding the re-appointment of Mr Nick Luff. The **Chairman** closed the voting.

10. Cancellation of R Shares

The **Chairman** proceeded with the next item on the agenda. He explained that on 26 February 2015 Reed Elsevier announced the outcome of a review carried out to simplify and modernise the corporate structure of Reed Elsevier. Certain changes were made and a number of more technical implementation steps were proposed to the general meeting of shareholders. All these proposals were conditional upon each other and upon the approval of the proposed resolutions by the shareholders of Reed Elsevier PLC at the annual general meeting to be held the day after the Meeting in London. The Board proposed eliminating the 5.8% shareholding interest that Reed Elsevier PLC had in the Company through the cancellation of the entire class of R Shares. In order to allow for the simultaneous cancellation of issued R shares in the

Company, the Board proposed to amend article 11, clause 2 of the articles of association of the Company, by inserting the possibility to cancel all R Shares with repayment. After cancellation of the R Shares this paragraph 11, clause 2 would again be amended back to its original wording.

The **Chairman** asked if anyone wanted to address the Meeting.

Mr Verwer expressed that he was pleasantly surprised when he read the agenda for this Meeting as he had been critical about the Company's corporate governance structure during last year's AGM. He thought the response not being very receptive at that time. **Mr Verwer** was happy to see that the Board proposed these changes to the Company's shareholders. There would always be things that the VEB might have preferred differently, but in general the simplification was a huge improvement for the existing corporate structure. **Mr Verwer** was also happy to hear that Mr Nick Luff called the current corporate governance structure 'quite complex' as there had been some discussions in the past whether the structure was complex or not. The **Mr Verwer** mentioned that the VEB was very happy with the Board's proposals and supported them wholeheartedly and hoped that other shareholders would do the same.

The **Chairman** thanked Mr Verwer and asked if anyone else wished to address the Meeting on this subject. As no one wanted to address the Meeting, the **Chairman** proceeded to voting under agenda item 10.a regarding the amendment of article 11.2 of the articles of association in order to allow for the cancellation of all R Shares. The **Chairman** then closed the voting.

The **Chairman** proceeded with item 10.b of the agenda. The Board proposed, with the consent of Reed Holding B.V. as the sole holder of the R Shares, to simultaneously cancel all R Shares in the company. The Chairman asked whether anyone wished to address the Meeting.

As no one wanted to address the Meeting, the **Chairman** proceeded to voting under agenda item 10b regarding the cancellation of the R Shares. The **Chairman** then closed the voting.

The **Chairman** continued to agenda item 10.c, regarding the amendment of the articles of association of the Company in order to delete all references to the R Shares following the cancellation of the R Shares.

The **Chairman** asked whether anyone wished to address the Meeting.

As no one wanted to address the Meeting, the **Chairman** proceeded to voting under agenda item 10.c regarding the amendment of the articles of association of the Company to delete all references to the R Shares. The **Chairman** then closed the voting.

11. Issue of bonus shares

The **Chairman** moved on to agenda item 11.a relating to the issue of bonus shares. The Board proposed to move to an equalisation ratio between the Company and Reed Elsevier PLC ordinary shares on a 1:1 ratio. In accordance with article 32, clause 7 and article 32, clause 8 of the articles of association of the Company, the Board proposed to, on the account of the unrestricted reserves, grant an entitlement to 538 ordinary sub-shares for each ordinary share in the Company to the shareholders effective on 1 July 2015. Every 1,000 ordinary sub-shares for a single shareholder would automatically be converted into 1 ordinary share in the Company. Once implemented, this would result in 1 ordinary share in the Company being equivalent to 1 ordinary share of Reed Elsevier PLC. Each ordinary share in the Company would have reduced rights but each shareholder would have more shares as a result of the bonus issue, which would exactly offset this, leaving the aggregate economic interest for each shareholder unchanged.

The **Chairman** asked whether anyone wished to address the Meeting.

Mr Verwer wanted to make sure whether are there are any fiscal implications for the shareholders when this bonus share issue and the restructuring of the Company as a whole is implemented, specifically for taxation on dividends.

Mr Nick Luff answered that there were no fiscal implications for the shareholders.

The **Chairman** proceeded to voting under agenda item 11.a regarding the issue of the bonus shares. The **Chairman** then closed the voting.

The Chairman then proceeded with the voting under agenda item 11.b regarding the proposal to exclude any pre-emptive rights with respect to the issue of the bonus shares. The **Chairman** then closed the voting.

12. Change of the corporate name of the Company

The **Chairman** continued the Meeting with agenda item 12. The Board proposed to change the name of the Company to RELX N.V. An equivalent resolution was being proposed to the shareholders of Reed Elsevier PLC at its annual general meeting the day after the Meeting in order to seek their approval of the change of the name of Reed Elsevier PLC to RELX PLC. The resolutions were inter conditional: if either resolution was not passed, neither the Company nor Reed Elsevier PLC would change its name. If approved, it was intended that the change of the names of both companies would become effective on or around 1 July 2015.

The **Chairman** asked whether anyone wished to address the Meeting.

Mr Niekamp expressed that he found the name RELX to be misleading; it reminded him more of a theme park or a sex club rather than of a publishing company. **Mr Niekamp** thought it was not an appropriate name for a publisher.

The **Chairman** answered that lots of people would have lots of different views on names. It would not be possible to get total agreement on a name but the Chairman thought there was a very high level of support for this change of name.

The **Chairman** proceeded to voting under agenda item 12 regarding the change of the corporate name of the Company. The **Chairman** then closed the voting.

13. Delegation to the Board of the authority to acquire shares in the Company and to reduce the capital of the Company by cancelling up to 30 million of its ordinary shares held in treasury

The **Chairman** continued with the following agenda item, 13.a, which related to the renewal of the delegation to the Board of the authority to acquire shares in the Company. This was annually recurring business. The general meeting of shareholders had granted the Board the authority to acquire shares in the Company on 23 April 2014 for a period up to and including 22 October 2015. It was proposed to renew the authorisation of the Board to acquire shares in the Company through stock exchange trading or otherwise for the 18 months from the day of the annual general meeting of shareholders, and therefore up to and including the 21 October 2016, for the maximum amount of 10% of the issued capital, as stated in the articles of association of the Company. Prices applicable should be within the margin and stated in the explanatory notes to the agenda. This item was put on the agenda every year and for the avoidance of misunderstanding, if approved, this proposal to delegate the authority to acquire shares in the Company would replace the existing delegation granted at last year's shareholders' meeting. As there were no questions, the **Chairman** kindly asked the Meeting to vote on agenda item 13.a. The **Chairman** closed the voting.

The Chairman proceeded with the next agenda item, 13.b, which related to a reduction of the capital of the Company through cancellation of up to 30 million of its ordinary shares held in treasury.

In October 2014, the General Shareholders' Meeting resolved to reduce the capital of the Company by cancellation of up to 40 million ordinary shares held in treasury. This cancellation was effected in December 2014. Currently the Company still held approximately 46 million ordinary shares in treasury, which had been accumulated by the Company over the past years as a result of share buyback activity. As a matter of corporate housekeeping, the Board wished to propose in accordance with article 11 of the Company's articles of association, to reduce the issued capital of the Company by cancelling in total 30 million of its ordinary shares held in treasury. The Board should establish the time at which the cancellation of shares be executed by depositing a declaration thereto at the trade register of the Chamber of Commerce.

As there were no questions, the **Chairman** proceeded to voting under item 13.b to reduce the capital in the Company by cancellation of up to 30 million of its ordinary shares held in treasury. The **Chairman** closed the voting.

14. Designation of the Board as authorised body to issue shares, to grant options and to restrict pre-emptive rights

The **Chairman** proceeded to discuss agenda item 14, which was also annually recurring business, and both resolutions were new authorities approved by the shareholders at the 2014 annual general meeting. Pursuant to a resolution passed by the general meeting of shareholders on 23 April 2014, the designation of the Board as the authorised body to issue shares and to grant rights to subscribe for shares as referred to in article 6 of the articles of association of the Company, had been extended for a period expiring on 22 October 2015. Under agenda item 14a, the Board recommended and proposed the general meeting of shareholders for a period of eighteen (18) months from the date of this annual general meeting and therefore up to and including the 21 October 2016, in accordance with and within the limits of article 6 clause 2 of the articles of association of the Company, to designate the Board as the authorised body to issue shares and grant rights to acquire shares in the capital of the Company, provided that this authority should be limited to 10% of issued capital of the Company at the close of trading on Euronext Amsterdam on the day of the Meeting, plus an additional 10% of the issued capital of the Company as per the same date in relation to mergers and acquisitions. In addition, shares may be issued on exercises of share options that had been granted under authorities granted by the general meeting in prior years, since this implemented existing commitments of the Company that had been entered into already. Item 14b was necessary to complement the authority to issue shares and concerned a proposal to authorise the Board as a corporate body that was entitled to restrict or cancel pre-emptive rights of existing shareholders on an issue of shares, or grant of share options for a period of 18 months from the date of the Meeting. It concerned issues of shares and grants of share options pursuant to resolutions of the Board and the authority to restrict or cancel pre-emptive rights therefore also ends on 21 October 2016.

Confirming that there were no questions, the **Chairman** invited the Meeting to vote on the proposal under agenda item 14.a to authorise the Board to issue shares and grant share options. The **Chairman** closed the voting.

The **Chairman** then invited the Meeting to vote on the proposal under agenda item 14.b to authorise the Board to limit or exclude pre-emptive rights. The **Chairman** closed the voting.

The **Chairman** said that the results of all resolutions would now appear on the screens.

The **Chairman** thanked the Meeting and was pleased to confirm that all resolutions had been adopted.

15. Any other business

Reaching the end of the Meeting, the **Chairman** gave the Meeting the opportunity to ask questions on any other business.

Mr Niekamp asked whether it was possible to receive a copy of the minutes of the Meeting and last year's general meeting. The **Chairman** answered that the minutes could be found at the Company's website. **Mr Niekamp** wanted to know if hard copies were available. **Ms Jans van der Woude** replied that it was possible for Mr Niekamp to receive hard copies of the minutes in due course.

Since there were no other questions or comments, the **Chairman** indicated that they had come to the conclusion of the formal business of the Meeting. On behalf of the Board, he thanked all shareholders for attending and participating in the meeting. There was lunch available for those who wanted to stay for a while. He kindly asked the shareholders to make their way to the foyer and to hand in the headphones and handsets to the hostess when leaving the Meeting. Once more, the **Chairman** thanked everyone for attending.

14. Close of meeting

The **Chairman** declared the Meeting closed at 12.30.

Voting results

The exact results of the voting have been set out in a document, a copy of which is attached to these minutes (*Annex III*).