

Minutes of the 2014 Extraordinary General Meeting of Shareholders

NedSense enterprises n.v.

held on Tuesday 7 October 2014 at 11.00am (CET)

at NedSense enterprises in Vianen.

ATTENDANCE LIST OF SHAREHOLDERS

Name	Shares
Vereniging van Effectenbezitters – represented by Mr. M. Diaz	102
Kisaran B.V. – represented by Mr. Hooghwinkel	8.000
Project Holland Deelnemingen B.V. – represented by Mr. F.C. Oberdorfer	6.249.999
Everson LTD	299.824
Klanten Rabobank Nederland – represented by VEB	12.610
De heer P.A.J.J. Aarts	687.500
De heer H.J.J. Pullens	687.500
Nantahala Capital Mgmt LLC, Limited Partnership	831.604
Blackwell Partners LLC (Nantahala)	1.107.077
Nantahala Capital Management LLC	2.686.028
BOL Bertoia	2.890.443
Todlin – represented by Mr. M. Hartog / Mr. S. Rozing	3.238.711
TOTAL	18.699.398

BEHIND THE TABLE

- Mr. M. McCleary, chairman Supervisory Board of NedSense enterprises n.v.
- Mr. R. Louwers, member Supervisory Board of NedSense enterprises n.v.
- Mr. P.A.J.J. Aarts, CEO NedSense enterprises n.v.
- Mr. H.J.J. Pullens, COO NedSense enterprises n.v.

AUDIENCE

- Mr. F. van het Kaar, KPMG Accountants
- Mrs. A.P. van Huisstede, NedSense enterprises n.v.

CHAIRMAN

- Mr. M. McCleary, chairman Supervisory Board

It appears from the timesheets signed today that 18.699.398 are represented during the meeting. That is 65,39% of all outstanding NedSense shares of total 28,596,495.

The agenda is as follows

1. Opening
2. Proposal to approve the sale of the NedGraphics business to Constellation Software Inc.
3. Any other business and closure of the meeting

1. Opening

The Chairman

Why don't we go ahead and get started. I want to welcome everyone to this Extraordinary General Meeting of the NedSense shareholders to deal with a few tactical things. Literally everyone is looking at their phone. So please turn your phones off. When you do have questions, could you please get up to the microphone to talk to us so that we can record it? And we also ask that any of the shareholders who have questions refrain from interrupting the presentations. We will have an opportunity for discussion before voting. So we will be able to answer questions and have a discussion prior to the vote. We are waiting for the share update. So I will just give a quick opening statement from the point of view of the Supervisory Board and Executive Board which is why we are here today on what we believe is an auspicious day for NedSense, the shareholders and the stakeholders. We have I think in many ways finally succeeded in making a strategic choice that will benefit all of the stakeholders of the company, not just the shareholders, including the NedGraphics shareholders and that is the sale of NedGraphics to an interested party. This is something that we have been pursuing for quite some time. We are very excited to finally have been successful. We believe that the price is both fair and valuable for the company. I am looking forward to the conversation about this issue if there are any questions about it, but we certainly believe as a combined Supervisory Board and Executive Board that the direction that we will be recommending is the right direction both for the shareholders and the employees of this company and we are very excited to talk about it today. Why don't we do this? Rather than waiting for the update on the share count, we will go ahead and start the presentation from the Executive Board on the details of the transaction and we will walk through all of those details, have a discussion and then I will call for a vote and then prior to the call of the vote I will explain the voting rules again which we have in each shareholders meeting.

2. Proposal to approve the sale of the NedGraphics business to Constellation Software Inc

Mr. Aarts

Thank you. Welcome. Let me read you through the explanation of the transaction as well as the rationale of the transaction. We had a few slides. So you can actually read with me through the details of the transaction. First of all, the scope of the transaction is the total NedGraphics' business conducted by, let's say, all the NedGraphics' entities. Basically it is about the Dutch entities as part of the Dutch legal entity until September 30th, including IPR, the NedSense/NedGraphics B.V. as well as CAD/GIS B.V., the Belgian entity, the BvBa, the French entity, our entity in Shanghai, the WOFE, the UK entity, the limited and then the two entities in Italy and Romania and last but not least our two entities in the US, NedGraphics of Tennessee and NedGraphics Inc based in New York. All employees of NedGraphics will become Constellation employees. There is no change of any terms, meaning that really all NedGraphics' employees will go with this transaction and become part of the Constellation Group. Maybe most important as part of the explanation of the transaction, the purchase price was negotiated at a level of seven million five hundred and twenty-five thousand Euros (€ 7,525,000) of which one million six hundred and forty-one thousand nine hundred and eight Euros (€ 1,641,908) will be held back. This is the so-called Holdback Amount. On closing, which will be tomorrow, NedSense will receive five million eight hundred and eighty-three thousand and ninety-two Euros (€ 5,883,092), which is actually the difference between the purchase price and the Holdback Amount. The Holdback Amount serves as a recourse for CSI to balance tangible assets and liabilities, i.e. the one point one million forty-one thousand and nine hundred and eight Euros (€ 1,141,908) and any claims CSI may have under the SPA. CSI is the buying party. The Holdback Amount mainly consists as explained of balancing the tangible assets and liabilities and the half a million Euros (€ 500,000) in addition as a buffer to cover any claims. The Holdback Amount will be paid to NedSense after a period of one hundred and twenty (120) days from closing, so from tomorrow. The divestments will result in NedSense consuming up to four point five million (€ 4,500,000) of its losses carried forward and that is basically due to an increase of the intellectual property, which has been administrated, pre-transaction. With respect to the proceeds, the proceeds of the transaction will be used to reduce debt and further invest in LOFT, the remaining activity within the NedSense group and for LOFT basically to enter new markets in order to stay ahead of the competition. We are still in discussion with the convertible bond holders as well as RVO, the department of Economic Affairs in Holland who granted the innovation credit, to agree on a partial repayment of the loans. We negotiated a break of the transaction due to a superior transaction. So we had actually the right to terminate the SPA in case of a superior transaction against a break fee of one hundred thousand Euros (€ 100,000). However, since the announcement of the transaction with CSI, we did not receive any other offers for NedGraphics.

The only conditional precedent actually is the approval by this Extraordinary General Meeting for shareholders. Over the course of the last six to seven months we have worked together with Clifford Chance, our legal adviser, and Grant Thornton, our tax adviser to finalize the transaction. Jan-Hendrik Horsmeier of Clifford Chance is also in the audience today. Maybe I can give a little more detail on the rationale for selling NedGraphics. The decision to divest NedGraphics is fully in line with our strategic framework, which we drafted two and a half years ago. So this is really part of the execution phase of that strategic framework and by selling NedGraphics, NedSense can now fully focus on managing the growth potential of LOFT including by entering into the real estate market which is really key for LOFT's success going forward and on top of that we can secure the sustainability of NedGraphics' future. Again, there will be no change in the employment terms of the NedGraphics' employees and that was obvious an important item when we defined the rationale for selling NedGraphics. It was a condition for the transaction. Maybe I can give a little bit more information on Constellation Software, CSI. CSI is a global company, headquartered in Canada. It is also listed in Canada. The company has a strong foothold in Europe and just recently acquired Total Specific Solutions, the TSS Group in the Netherlands, with a transaction price of approximately two hundred and forty million (€ 240,000,000). Important for NedGraphics' future is that it will become the leading company in CSI's new vertical, the textile industry. So CSI was really looking for a stepping stone in that area and selected NedGraphics to become their leading company in the market. For NedSense it is important that under CSI's ownership NedGraphics has the benefits of the key drivers for value creation we defined in our strategic framework, i.e. increasing the client base, efficiency in research and development and management focus. Maybe most important going forward is that CSI can provide the funds to execute the necessary product improvements and we are all very happy with CSI providing the funds going forward and we think that NedGraphics' products portfolio really requires a turnaround. From here we might want to go to the recommendation of the Board.

The Chairman

Yes. I would like to clarify the Board recommendation quite clearly. The Executive Board and the Supervisory Board of NedSense believe the transaction to be in the best interest of NedSense and its shareholders and its stakeholders, including shareholders, employees and customers and fully and unanimously support and recommend the shareholders to approve this transaction. It is proposed to the shareholders to approve the transaction to comply with the provisions of article 2:107a of the Dutch Civil Code and article 15(7) of the Articles of Association of NedSense. Before we move into the voting I am going quickly explain the voting rules and then we have an opportunity for questions and discussion. Before I start with the voting rules, I should say that there are eighteen million six hundred ninety-nine thousand three hundred and ninety-eight (18,699,398) shares present today in person or by proxy. They represent sixty-five point three nine percent (65.39%) of all shares. A group of investors represented by Nantahala and Everson have already voted via proxy with shares totaling about seven point seven million (7,700,000) of those eighteen million (18,000,000) shares. So the remaining shares will be participating in the vote. The voting rules are: each time we will first call for those who are against the proposal. Then we offer an opportunity for people to refrain and then all other votes will be presumed to be in favor. So in advance of calling the vote I leave the floor open now to the shareholders present to ask any questions or present any discussion that they wish to present. Go ahead. Introduce yourself if possible just so that we know for the record.

Mr. Diaz

My name is Martin Diaz on behalf of the VEB. First I would like to make a remark before I state my questions. The information concerning the sale of NedGraphics, the use of the money generated by the sale in the revenue of LOFT in the near future, wasn't quite extensive. We are being asked as shareholders to form an opinion on the sale of NedGraphics. We can only do so if we are sufficiently informed. And this is another way of saying that I have got quite some questions and I hope that we can discuss them. There are a few topics I would like to address. First what is the rationale of the transaction. In the explanatory notes it is stated that the transaction enables NedSense to focus fully on the development of LOFT. In other words all bets are put on LOFT. When I look at the track record of the development of LOFT and the growth I see a lot of setbacks and disappointments. The success of this transaction depends on the future success of LOFT and the first question considers the development of LOFT. I think we need a substantial growth of LOFT and my first question is: does NedSense expect a substantial increase in revenues of LOFT and are there any investments necessary to get that growth?

The Chairman

Pieter, can you take that.

Mr. Aarts

Yes, for sure. First of all Mr. Diaz, I tend to disagree with your statement that the success of this transaction is related to future success of LOFT only. I think the transaction in itself is a successful transaction for NedSense. I do agree that for the longer term LOFT's success should really accelerate and basically one of the reasons and an important part of the rationale presented is to fully focus on LOFT's business and entering the new markets, the real estate market for LOFT.

Mr. Diaz

Can you tell anything about the pace the revenues must grow in order to get a viable corporation? If we look at the revenues in the first half of 2014 and compare it to 2013, the revenues are flat and we need an increase also considering the quite large investments in LOFT we have seen the last couple of years.

Mr. Aarts

First of all, I disagree that the revenue development is flat. I think we have seen an increase over the last few years. And obviously going forwards we have decided not to disclose our forecast for LOFT. So we cannot share that information.

Mr. Diaz

It is very important information for the shareholders to base their decision on the transaction.

Mr. Aarts

I can imagine Mr. Diaz, but from my competitive point of view it just doesn't make sense to disclose these numbers.

Mr. Diaz

But are there any signs of growing revenues?

Mr. Aarts

Again, we have decided not to share that information in this meeting.

The Chairman

One thing that we have talked about is the opportunity within the real estate market in particular in the United States. So I think we can be honest with our statement that we have significant reason to believe that there is significant opportunity in LOFT beyond the preceding business model's ability to deliver and I think part of that has to go to precisely what Peter has mentioned, which is the expansion into a new market and that is not necessarily in new geographic markets, new business segments that present a large amount of opportunity for both the brand and the product in its current form.

Mr. Diaz

When we are going to the new markets, are there any new investments needed? Does there have to be more development in LOFT to go to the new markets?

Mr. Aarts

In order to prepare ourselves for the real estate market we need to invest in LOFT's product code. Yes.

Mr. Diaz

And how big are those investments?

Mr. Aarts

Again we have decided not to disclose these numbers with our shareholders.

Mr. Diaz

I have got a question about the alternatives for the proposed transactions. You proposed this transaction and I believe you researched all alternatives. Were there any other alternatives besides this transaction?

Mr. Aarts

The answer is yes. We explored all alternatives since three years. So I think as announced before in our strategic framework we have considered all the options that we have on the table. The NedGraphics sale by far was our favorite scenario for both NedGraphics and NedSense's future. So the answer is yes. There were more options on the table.

Mr. Diaz

Can you tell me something about those alternatives? Did you go to the major shareholders and ask for another financing for example?

Mr. Aarts

The other financing you are mentioning was agreed last year when we agreed on the investments by the group of strategic investors represented by Nantahala. So that was part of our strategic framework as well. So with the support of our strategic investors we truly think that we can accelerate with our LOFT business mainly in the US. So yes, that also was one of the options and actually one of the options we executed.

Mr. Diaz

But did you go to the current shareholders and ask for more money, new shares or bonds?

Mr. Aarts

We did not explore that option this year.

Mr. Diaz

Why not?

Mr. Aarts

Because we thought that the NedGraphics sale was beneficial for both companies and an important element of our strategic framework drafted two and a half years ago.

Mr. Diaz

I will go to my next point. Maybe other shareholders want to ask questions?

Mr. Hartog

I would like to ask a question.

Mr. Diaz

Thank you. I have some questions on the selling price of NedGraphics. I believe to have heard in the presentation the price came about by negotiation. Were there other parties interested in buying NedGraphics?

Mr. Aarts

The answer is yes. We explored other options with other alternative buyers.

Mr. Diaz

And did you come into negotiations?

Mr. Aarts

Not to the extent that we negotiated the price with Constellation.

Mr. Diaz

And you told in your presentation that seven and a half million (€ 7,500,000) is a fair price. How do you come to that conclusion?

Mr. Aarts

That is based on the operating results of NedGraphics of the last three years and our forecasts going forward.

Mr. Diaz

So that will be about ten times net profit?

Mr. Aarts

That is not my calculation, but again we think it is a fair price based upon the prices that are being paid currently for software companies with the heritage of NedGraphics.

Mr. Diaz

I have a got question concerning the Holdback amount. Are there any risks in the balance of NedGraphics? I assume Constellation SI did their due diligence.

Mr. Aarts

That is correct.

Mr. Diaz

And still they ask for a Holdback amount of two million (€ 2,000,000). That is quite a lot in perspective of the seven and a half million (€ 7,500,000).

Mr. Aarts

Well, Mr. Diaz I have to disagree again. The Holdback that is being used as a buffer is five hundred thousand Euros (€ 500,000). The rest of the Holdback is being used to balance the tangible assets and liabilities. So that is basically part of the negotiated price and NedGraphics' balance sheet.

Speaker

It is a negative working capital.

Mr. Diaz

And who decides whether the Holdback amount is being paid to NedSense?

Mr. Aarts

That is obviously a part of the sales and purchase agreement that we negotiated with Constellation. So we negotiated terms about the proceeds going forward and the half million Euros (€ 500,000) that is being paid after one hundred and twenty (120) days obviously depends on the guarantees that have been negotiated. If you really would like to go into detail, I have to look at my legal adviser here, but I think it is pretty common in transactions like these.

Mr. Diaz

I have another question that concerns the allocation of the sale revenues. In the explanatory notes it is stated the proceeds are being used to reduce debt and further invest in LOFT. I heard you saying you are still negotiating with debt holders. Which amount of the selling price you expect to be used for reducing debt?

The Chairman

We are still negotiating with the debt holders. That is the answer to that question.

Mr. Diaz

Which amount would you like to pay back?

The Chairman

We are still in negotiations with the debt holders. So I am not going to disclose where from a strategic point of view we are looking to go because we are still in the midst of negotiations.

Mr. Diaz

When you don't have to pay back the debt now and you get the full seven and a half million (€ 7,500,000) how far will that take us?

Mr. Louwers

Are you still looking for the forecast? It is a different way of asking the same question.

The Chairman

There are several questions about that. I kind of go back to what Pieter says which is that for several reasons we are still in negotiations with the debt holders, that we haven't finalized with the debt holders, who in most cases are also shareholders, exactly what the percentages are going to be, which is why we are not going to discuss it now and then with regards to how long it will be depending upon what the outcome of those conversations are. So again, it is very difficult to say now, but what we can say is that the proceeds from the sale are certainly enough for us to take both actions to what we believe is the responsible extent in terms of paying down some debts and then also the investment that LOFT requires in order to finally realize its potential after all of these years with a new business model.

Mr. Diaz

Thank you. The last topic I would like to address is the effects of this transaction on the organization. How will this transaction affect the organization? For example, how many fte will stay in the company and will any workers be abundant? Could you elaborate on that?

Mr. Aarts

There will be no employees abundant. So I think that is the most important question. With respect to the other questions I said before all NedGraphics employees will go with the transaction and become Constellation employees under the same employment terms as they have today.

Mr. Diaz

You mean when I look at NedSense?

Mr. Aarts

Yes. So let me go to NedSense. NedSense today has two employees on the payroll. That is Jan-Hein and myself and LOFT sixteen employees of which two are employed in the US and fourteen here in the Netherlands.

Mr. Diaz

And will they all stay in the company? Will there not have to be a reorganization?

Mr. Aarts

The answer is yes, they will stay in the company.

Mr. Diaz

Okay, thank you.

The Chairman

Go ahead.

Mr. Hartog

Thank you Mr. Chairman, my name is Maarten Hartog of Todlin. As a long-term shareholder we have had a lot of things to go through with NedGraphics with Blue Fox, a name I know you don't want to hear anymore, but when we look back it were two share positions we had that came together in what then was Blue Fox enterprises and the name changed to NedSense Enterprises. And now we are here to approve the sale of NedGraphics. So as a long-term NedGraphics shareholder it does something with you because NedGraphics was all the time the cash cow for all the activities in all those different stages of this company and in the last years NedGraphics was the cash cow for the development of LOFT. As you just stated Mr. Chairman, you say it is time that LOFT lives up to its potential. It is time that we invest in going forward with a profitable company, a small company with only sixteen/seventeen employees with kind of a small revenue base, if you can say. There is no cash cow anymore. So the cash cow is the sale of NedGraphics and that will put us forward to the decisions how to invest that money, how much to pay back to the lenders, but the money that stays in the company should be invested to create value and that is something that I want to give to you as a Board. As a long-term shareholder there wasn't much creating of value in the past years. The share price isn't always the value of the company. Of course IP was developed. Of course the product was developed and I believe in the product itself. I think that was a good job, but still you are on the verge of creating value with that product that you developed and of course there is the possibility to invest and to invest and to invest, but where is the moment that you make money with a product. I think all the shareholders here are waiting for LOFT to become successful.

I know you on the other side of the table are waiting for LOFT to make money. So in the discussions internally and with shareholders and with lenders I would urge you to press on with the creating of value. It is time to deliver. Of course the product itself is there. One of the promises from behind the table in the last years was that we are making a product that we could sell from off the shelf. Now we have to invest to get into the real estate market and a real estate market cross-selling with the retailers itself I can believe in. I believe in the product but where is the moment that we can create value and we can say we see something back from our investments. It is the same goal for you at the other side of the table. But please take that with you because our shareholders, my shareholders are waiting for that value also and ask why are you still in this company. Then I say I believe in the product, but five years of belief is a long term and I believe that you can do the right thing to create that value. So please do so. On the sale of NedGraphics itself I think it is a good transaction. We as Todlin will support that transaction and wish you wisdom in deciding what part to pay back and which part to invest in creating value. Thank you. One thing: I would like the company, not at this moment, because then I will get the same reactions as Mr. Diaz got, to get some clear goals and going back to my point of creating value, I think it is time that the management, the Board will be held to these goals, because it is time. You understand.

The Chairman

We both understand and agree. And it is our plan for the coming months to come to agreement on what those requirements will be with the major shareholders, bond holders and with the Executive Board and Supervisory Board. And that is the task. And to your point, thinking back on the history in my mind, one could make the argument that part of strategic rationale for the separation of the two units is that most of the cash that was coming off of NedGraphics was going to LOFT and that to a certain extent it made more sense for NedGraphics to be able to retain more of those earnings within the firm and product and at the same time LOFT was reaching a point where we believed that we could start in the near term to put the product on its own. So we are very excited about the opportunity but share your goals. And frankly what was beyond advice, it is a requirement from both a shareholder and stakeholder point of view for us to deliver on what you suggested. So thank you for your comments. Are there other comments before we go to the vote?

Mr. Oberdorfer

My name is Felix Oberdorfer, Project Holland Fonds. I have just a short comment. I fully agree with the points fellow shareholder Mr. Hartog made about the decision to divest NedGraphics. We fully support that and we already committed to vote in favor for that transaction. We also believe there is absolute value or the potential to create value in LOFT. That is well said I think. And I have one additional point maybe. From our view it is not only about creating value, meaning on the revenue side getting the market penetration, getting the deals in et cetera. Also please look at the cost side. What kind of costs associated with the remaining NedSense organization is feasible, is realistic given this revenue size, given the size of the company. I am sure you have also been thinking about what to do with the listing and associated costs. So maybe also keep that in mind in drafting the new plans. Thank you.

The Chairman

Is there anyone else?

Mr. Diaz

I would like to make a comment before voting. I think there is no alternative for the transaction. So the VEB will vote in favor.

The Chairman

You are jumping the gun a little. I haven't called for the vote but thank you. So what I would like to do then is move to the official vote. So again the process will be I will offer the opportunity for those who are against, for those who refrain and then all other votes will be in favor. Are there any shareholders present who would like to vote against the proposed transaction? I see none. Are there any shareholders present who would like to refrain from voting on the present transaction as explained? I see none. All shareholders present and by proxy have voted in favor of the current proposed transaction. That concludes the official business of this extraordinary general meeting.

3. Any other business and closure of the meeting

The Chairman

I want to give an opportunity for anyone else that would like to discuss other business, but before I do that Frank, our representative from KPMG, would like to have the opportunity to address the shareholders.

Mr. Van het Kaar

Yes. My name is Frank van het Kaar from KPMG. I was not present at the last AGM and I wanted to state that that was unintentional. It was due to a misunderstanding and due to that it was not properly reflected in my calendar. But I think it is good that the shareholders know it was unintentional. I also did read the minutes and I saw that there were some questions from shareholders to the auditor. So if those questions are still relevant I am here to answer them. Mr. Diaz, you had some questions I think if I read them in the notes. Do you still want to ask them?

Mr. Diaz

I am glad to see the accountant is here and available to answer any questions, but I don't have any questions for today. Thank you.

Mr. Van het Kaar

Yes. And otherwise you can always ask them at the next AGM, because I will make sure that I am there.

Mr. Diaz

I am glad to hear.

The Chairman

Thank you, Frank. Is there any other business to be discussed for today's meeting? I am seeing none. I will move to conclude today's meeting and adjourn it. Thank you all for your presence here today. I look forward to our next General Meeting next summer. Thank you.