

DEED OF RECORD (*proces-verbaal*)

On the twenty-second day of April two thousand and nine as of ten hours and thirty minutes in the morning, I, Dirk-Jan Jeroen Smit, civil law notary, officiating in Amsterdam, the Netherlands, have attended the Annual General Meeting of Shareholders of Reed Elsevier N.V., a public company with limited liability (*naamloze vennootschap*), incorporated under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands and its office address at Radarweg 29, 1043 NX Amsterdam, the Netherlands (the *Company*), held in Hotel Okura, Amsterdam, the Netherlands, with the purpose of taking notarial minutes of this meeting.

I, Dirk-Jan Jeroen Smit, civil law notary, established the following:

The meeting is chaired by Mr. Johannes Henricus Maria Hommen, the Chairman of the Supervisory Board of the Company.

1. Opening.

The **Chairman** opens the meeting and welcomes all attendees. He notes that this meeting is also attended by the external auditor of the Company, Deloitte Accountants B.V. They will be available to respond to any questions in relation to the 2008 Annual Financial Statements.

Mrs. Jans van der Woude is appointed as secretary of this meeting. A notarial deed of record of this meeting is to be prepared by Mr. Dirk-Jan Smit, civil law notary, who is attending this meeting for that purpose.

The entire Executive Board and the Supervisory Board are present at the meeting. The minutes of the last Annual General Meeting of Shareholders have been made available for public inspection since the twelfth day of February two thousand nine, at the office of the Company and on Reed Elsevier's website, while these are also available at the entrance of this assemblee.

The meeting will be partly held in Dutch and in English, while a simultaneous translation is available through means of headphones.

The **Chairman** records that the meeting has been duly convened in accordance with the legal and statutory requirements:

- (i) the convocation notice of the meeting has been published in the Dutch Daily Official List of Euronext Amsterdam N.V. (*Officiële Prijscourant*) and Telegraaf, NRC Handelsblad and Financieel Dagblad (nationally distributed daily newspapers) on the thirteenth day of March two thousand nine;
- (ii) it is mentioned in the convocation notices that the entire agenda of the meeting, the explanatory notes of the agenda, the Annual Financial Statements 2008, including the annual accounts and the auditors' statement, information about the re-appointment of the members of the supervisory board and the appointment of the member of the executive board, are available for inspection in the Company's office and in the office of ABN AMRO Bank N.V., trading under the name RBS (the affiliated institution). These documents were made available to the shareholders and to the usufructuaries and pledgees of shares to whom the voting rights accrue at the office of the Company, free of charge and this information was also made available on Reed Elsevier's website since thirteen March two thousand nine.

The **Chairman** concludes that valid resolutions can be passed on all subjects placed on the agenda of the meeting. Since the voting at this meeting will be happening electronically, only in cases of doubt, the number of votes casted against a proposal will be mentioned. The voting instructions received before this meeting will be taken into account. Given the available time, it may be necessary that the precise result of the voting is made public at the end of the meeting.

While the information about the attendance list and the number of votes to be cast is not yet available, it is proposed to discuss the items of the agenda in anticipation of this information.

The **Chairman** requests the audience to use one of the available microphones and to identify themselves by mentioning their name and the party represented by them when addressing the meeting or the Boards. The time per speaker will be limited in order to allow all shareholders to actively participate in this meeting. Upon request of the **Chairman**, a hostess explains how the votes can be exercised by means of pressing a particular number on the electronic machine when being asked to vote on a resolution as projected on the video screen.

The **Chairman** reports on the proceedings of the annual general meeting of shareholders of Reed Elsevier Plc. held in London, in which all agenda items were discussed and the resolutions were adopted with a comfortable majority. The day before this meeting, a press release was issued about the first quarter of two thousand nine, which is also available at the Company's website and at the entrance of the room.

2. Annual Report 2008.

The **Chairman** continues with the Annual Report of the Executive Board and the Supervisory Board. It is noted that the official Annual Report 2008 consists of the "Reed Elsevier Annual Reports and Financial Statements 2008", in which the statutory annual financial statements of the Company and the explanatory notes, together with the external auditors' reports and the report of the Executive Board and the Supervisory Board of the Company are contained therein from page 162. The annual financial statements for Reed Elsevier's combined businesses are part of the

notes of the statutory financial statements. The various statements and reports, such as the Corporate Governance Report and the report of the Audit Committees, the Remuneration report, the report of the CEO and the Sustainability Report are also part of the Annual Report 2008. The Annual Report 2008 has been made available for public inspection per the moment of the convocation notice of this meeting, at the office of the Company, on Reed Elsevier's website and is also available at the entrance of the room.

Mark Armour, the chief financial officer of the Company, gives a presentation of the developments and the business achieved in two thousand eight and the outlook for two thousand nine.

In this presentation (a copy of which is attached hereto as *Annex I*), **Mr. Armour** discusses the financial highlights of two thousand eight, the financial performance, the revenue, the adjusted operating profit, the ChoicePoint acquisition, the divestment of Reed Business Information, the driving online workflow solutions, the restructuring programme, the balance sheet including the Debt Maturities, the outlook for two thousand nine and the share performance.

Before giving the opportunity to ask questions in respect of the Annual Report 2008 and the presentation, the **Chairman** reports that the holders of the following number of shares (including the shareholders which are participating in the Shareholder Communication Channel) have been registered for this meeting:

- three hundred fifty million six hundred fifty-seven thousand eight hundred and eighteen (350,657,818) ordinary shares, having a nominal value of seven eurocents (€0.07) each; and
- four million and one hundred thousand (4,100,000) class R shares, having a nominal value of seventy eurocents (€0.70),

as a result of which three hundred fifty-four million six hundred fifty-seven thousand eight hundred and eighteen (354,757,818) votes can be casted. The part of the issued and outstanding share capital of the Company for which votes can be casted may be less, as it could be that not all registered shareholders may have been able to attend this meeting. The exact portion of the issued and outstanding share capital of the Company which is present will be made known at the moment the voting results are made public. The entire issued share capital of the Company amounts to more than forty-nine million euros (€49,000,000), divided into six hundred sixty-one million (661,000,000) ordinary shares and four million and one hundred thousand (4,100,000) Class R shares. This means that approximately fifty-two point forty-nine (52.49%) of the entire issued and outstanding share capital is present or represented.

Mr. Rennen, employed by Triodos Bank and attending this meeting on behalf of Triodos Investments Funds which jointly hold over one hundred sixty-five thousand (165.000) shares in the Company, raises three questions. In respect of the remuneration policy, he wonders whether besides the key performance objectives, the performance on the achievement of objectives of environmental sustainable development have an impact on the annual and long-term incentives of the Executive directors and if not, whether this can be considered and be reported on? Secondly, could it be possible to set an objective for the usage of green energy and has it been considered to compensate carbon emissions? Lastly, is there an objective to be set for paper consumption and what can be reported about recycling of paper?

The **Chairman** responds to the first question by noting that the performance is not just measured by financial objectives but also by individual objectives. The management of each division has specific objectives, which include objectives

regarding sustainable development. These are not specifically mentioned in the remuneration report, but it can be understood that these objectives are part thereof. It can be considered to further underline this in the report.

Mark Armour notes that there is a target to reduce the carbon emissions by ten per cent (10%) in the period from two thousand eight until two thousand fifteen and to reduce the energy and the transport of emissions energy with five per cent (5%) respectively. At the moment, twelve per cent (12%) of the electricity is from green sources and ten per cent (10%) of the total energy costs is. The printing environment changed into a digital environment and while paper usage may be saved, the on-line activities provide for other energy issues, such as data centre, capacity thereof and information storage. It is noted that being a founding member of the publishers data base for responsible environmental paper sourcing (PREPS), it is clear that efforts are being made, such as arrangements are made for paper to be graded on the PREPS system and ninety per cent (90%) certified sources is used for the global office paper. Recycled paper is bought when feasible and this may be reported on in the report of two thousand nine.

Mr. Van der Klis, representing **Vereniging van Effectenbezitters** (VEB) with two hundred sixty-three thousand nine hundred sixty-seven (263,967) votes to be casted, mentions that the share price performance and the revenue has been disappointing and some errors have been made in the implementation of the strategy of the Company, such as the acquisition of Harcourt and the proposed sale of RBI. With regard to the Dutch pension fund, there is concern about the current degree of coverage. How is this short fall going to be dealt with? Further to the risky acquisition of ChoicePoint, it is noted that the debt on the balance sheet has been increased and it can be wondered how this will be compensated? In addition, he comments that ChoicePoint has been a expensive acquisition. Finally, the governance structure of the Company and Plc. are complicated and simplification thereof can be achieved by choosing between either the English or Dutch legal entity structure and by having only one listing.

The **Chairman** notes that there is a limited time for questions in order for all attendees to be able to actively participate and that many of the items noted by Mr. Van der Klis are comments only.

Mark Armour comments to the acquisition of Harcourt Education and explains that half of its business was comprised of science and medical business, which created value and performs well in the medical business of Reed Elsevier. As to the education business, it performed well but its leading position in a changing market would be difficult to sustain, for which reason it was decided to strategically exit this market with a very good return which was granted to the shareholders. As to RBI, since the economic outlook has changed substantially after the fall of Lehman's bank and the advertising market suffered, the proposed sale was in retrospect unfortunately timed. In terms of the pension fund short fall, the cover ratio at the end of two thousand eight was eighty-six per cent (86%) and an engagement was set up with the trustees of the pension fund. It has been agreed to provide fifty million euros (€50,000,000) over a five (5) year plan in order to achieve the required ratios in two thousand thirteen. He thinks a recovery plan has been filed at the Dutch Central Bank. The revenue growth of the Company in euros does not show an increase, but this is not on a constant currency basis and if measured in US Dollars a growth of seven per cent (7%) is achieved.

Regarding the acquisition of ChoicePoint, while such acquisition is significant and

has a component of risk, it was carefully considered. The insurance business is performing well and the integration is on track. The debt on the balance sheet is higher than usual and there will be a focus on debt repayment. It is noted that the maturities of debt had been paced properly and bonds have been issued. The price paid for ChoicePoint was high, however, with the synergy of the risk business, the returns may be very attractive financially.

The structure of Reed Elsevier may be complex. However, operationally there is one company only. While there are some inefficiencies, it is an efficient structure from a financial and fiscal perspective and not operationally impeded.

The Chairman grants the floor to **Mr. Van der Helm**, attending this meeting on behalf of VBDO (*Vereniging van Beleggers voor Duurzame Ontwikkeling*), and remarks that a limited time is available for speakers in the interest of time.

Mr. Van der Helm starts by making three compliments: for the content of the Sustainability Report, the answers received to questions submitted in writing for this meeting and the discontinuing of the Defence Sector Shows, the latter showing that the Company notices the remarks of its shareholders. Regarding the energy consumption, it is asked whether the proposed reduction is an objective to be strived for and if this can be reflected in a percentage in the overview, such as the stored data? Secondly, it is raised whether it is possible to report on the diversity (male-female percentages), also in lower and higher management? Thirdly, he asks whether on any breaches of the code of ethics and the business code, by employees and suppliers can reported? Fourthly, as it is interesting to see the link between the aspiration and the remuneration, it is raised whether it is possible for the sustainability objectives that are part of the key performance objective for the remuneration to be made public and references thereto to be included in the Long-Term Incentive Plan? Finally, **Mr. Van der Helm** asks whether Reed Elsevier may be organising a stakeholders dialogue in a group of shareholders, employees, suppliers and other non-governmental organisations? If this is the case, how is such group structured and if this is not the case, are there any intentions to organise such group?

The **Chairman** requests Mark Armour to respond first.

Mark Armour accepts the compliments and notes that most of the questions raised, were actually requests which can be taken into consideration. A lot is done in respect of the corporate social responsibility. The idea of the percentage of stored data can be looked into. In respect of the policy statement on diversity, it can be contemplated in what way this can be reported on and the same applies to the reporting about publications and violations of the Code. In terms of the Long-Term Incentive Plans, different components are to be included in the reward package to arrange that management have something throughout the organisation which they can identify with and influence directly. While there are engagements with wider groups for dialogues, there is not such type of stakeholder forum as described, however, this can also be considered.

Mrs. Van den Dungen, representing at this meeting *inter alia* Stichting Spoorwegpensioenfond, Stichting Pensioenfond Openbaar Vervoer and Robeco, mentions that the ratio of the net debt to ebitda of the Company amounts to three point seven (3.7), or after the consolidation of ChoicePoint of three point five (3.5), which exceeds the target of ratio of the net debt to ebitda of being between two and three (2 –3), consistent with a solid investment grade credit rate. The equity of the Company and the goodwill have been lowered and the special distribution from the net proceeds of the sale of Harcourt Education and failed sale of RBI did not help

either. The possibilities in case of any set back financially have been decreased and the Company is taking financial risks. The question is whether any further attention will be paid to the balance sheet position and the ratio of net debt of the Company? With regard to the set of key performance objectives, the notes provided are clear in respect of the remuneration structure. The focus is on the profit per share component of the reward, while it is preferred to have a more market based component, such as the total shareholder return (TSR), as also provided for in recommendation number seventeen (17) by Eumedion. She then asks whether in respect of the risk management, the Company distinguishes between the key risk and the principal risk in the Annual Report 2009, without further details about the distinction or ranking thereof?

The **Chairman** requests Mr. Armour to respond to the first question about the financing and the balance sheet and the third question about the risk management.

Mark Armour comments that the balance sheet of the Company is well constructed. While there is more debt than typically, it is manageable, including in these economic environments. Reed Elsevier is a resilient business and while we do have cyclical businesses within Reed Elsevier, Exhibitions and RBI, these are a small part of Reed Elsevier. The core of Reed Elsevier is very cash generative and very resilient. He states that there is a confidence that the financials can be managed and the obligations met. There is a focus on improving the ratios. The described way of looking at the ratios is difficult. For the entire debt of ChoicePoint, an amount of over four billion US Dollars (US\$ 4,000,000,000) was paid already, while only a quarter of its profits for the year two thousand eight were received. In the year two thousand nine, there is a more sensible profile. At year end, the debt gets translated in Euro rates and the profits are translated in average rates, which given the movement in the exchange rates provides for distorted ratios. If one looks at the two thousand eight ratios on a pro forma basis for ChoicePoint and use US Dollars as the base, as most of the debts are in US Dollars, a lot of the earnings are there and the ratio net debt to EBITDA was three point one (3.1). It is outside the range, but not as dramatic as otherwise the figures may suggest. By taking the right actions, a move is made towards improving the ratios and the balance sheet position will be improved.

Mark Elliott continues by confirming that the total shareholder return (TSR), the relative TSR, is used in the calculation of the long term incentive. As included in the descriptions in pages 63, 66 and 67 of the Reed Elsevier Annual Reports and Financial Statements 2008, while earnings per share (EPS) is used as base calculation, this may be modified significantly further to the performance against the relative TSR.

Mark Armour responds to the comment about the outline of the key risks, by noting that it is tried to get the balance right. It is difficult to rank risks, for they are all important and to be managed differently. The residual risk after your control strategies is to be relatively limited and manageable. If the risk strategies fail, the risk itself becomes more important and that's partly a management issue. In a way, we have ranked the risks by publishing these as key risks, but there are many other risks that we manage within the business, at a group level and at an individual business unit. These are subject to review and monitoring and there is testing under Sarbanes-Oxley, the Dutch Code and the UK Code. As sort of principal risks, they belong in this rank.

The **Chairman** adds that since risks shift also over time, it is difficult to say exactly what the risk today in ranking is, given that this may change again tomorrow.

Upon the question whether there are any further questions about the Annual Report, **Mr. Anink** wishes to receive some further information about some of the comments made by the Board so far. In respect of the structure of the Company, it was noted that this structure, with two (2) annual meetings, is not too complicated. Further to the comment that all resolutions were adopted at the meeting in London, it is also interesting to learn how the atmosphere of this meeting was and whether the same items were discussed. The second question is about the shareholders' equity, which is an element in the remuneration package. The numbers included on page 87 of the Reed Elsevier Annual Reports and Financial Statements 2008 provide for a decrease of shareholders' value of one-third (1/3): it is correct that the shareholders' equity at the end of two thousand eight amounted to nine hundred fifty-three million Pounds (£ 953,000,000), while only the year before, this amount was two billion nine hundred sixty-five million (nine hundred sixty-five million Pounds (£ 2,965,000,000))? In respect of the restructuring, at this moment, sixty per cent (60%) of the capital is in the United States of America, which is far less than previous year. This clearly includes the acquisition of ChoicePoint. In the UK and the Netherlands, the investments and the equity have been reduced to less than one billion (1,000,000,000), which is a reduction of nine billion (9,000,000,000). This is quite an adjustment. Is it desired in the current transforming world? Regarding the acquisition of ChoicePoint, certain risks were attached that manifest themselves in the current market. While there is a need for new data which may be profitable, a change in the American insurance market is coming. This may entail that not only in America, but also in Europe, half of the companies and the positions of many employees in the insurance business cease to exist. Even with the need for new data, it can be raised how the Company will be anticipating this. As to the debt, the debt has been doubled and amounts to almost six billion (6,000,000,000). While so far it was mentioned that the Company has a strong financial position, it appears to be the question whether the financing can well be arranged when for taking into account the profitability. The profitability was not too good last year and has decreased. In view of the optimism shown here, perhaps some further explanation can be offered in this respect?

The **Chairman** notes that the meeting in London was less crowded than the meeting of today. Approximately sixty-five per cent (65%) of the votes were present and could be casted. The questions were sort of similar as to the questions raised here, while less questions in respect of the environment and social responsibility, many questions about ChoicePoint and one question regarding Exhibitions were raised.

The structure of the Company is well composed and operates simple, while it appears complex. As mentioned by Mr. Armour, there are no difficulties with the issue of shares or the repurchase thereof and the profit policy is simple by having a formula for the currencies. It may be questioned whether having two meetings is desired as it may be easier to have only one meeting, but this is only a small price to pay. In the past, it has been considered how this structure could be changed, but this leads to several legal and tax issues. This structure simply works.

Mark Armour remarks that the decline in the shareholders' equity is not necessary shareholders' value. The shareholders' value is partly measured by the stock market, while shareholders' equity is following accounting historical cost convention. The nature of this business provides that the balance sheet is dominated by goodwill and intangible assets. The type of yardsticks that are applied in the more industrial companies just do not apply in the knowledge business. The reduction was principally because of the return to the shareholders in January two thousand eight for an amount

of four billion US Dollars (US\$ 4,000,000,000).

As to the capital employed, it is correct that the net assets in America have been increased considerably due to the ChoicePoint acquisition. The capital employed in the UK and the Netherlands has lessened in particular. Reason for this is that end two thousand seven Harcourt education was sold and the cash was distributed up to the UK and the Netherlands, awaiting the special dividends of January. It can also be noted that even in two thousand seven and even in two thousand six, very little capital in the Netherlands was employed, because a lot of the businesses are subscription-based businesses in which the cash is received up-front. The so-called third revenue was received, with the obligation to fulfil subscriptions for the following year. It is recorded as a liability when the cash is received and when the subscription are being fulfilled, this liability decreases. This means that low capital employed is good and it is even tried to get it lower to generate cash.

The **Chairman** requests Andres Prozes to respond to the question about ChoicePoint. **Andrew Prozes** agrees that with an acquisition of the size of ChoicePoint, there are material risks to be taken into account. It has to be acknowledged that it requires care on the risk side especially with a larger acquisition, but there is also the potential for meaningful potential benefit. In recognition of the risk, it has been considered for two (2) or three (3) years how the restructuring and the merger of the businesses were to take place. As a result of these considerations, the restructuring is going very well and we are ahead of the plan. The performance of ChoicePoint is progressing well, even better than anticipated. This may be because of the recognition of the risks and the preparatory work done. It is correct that there are meaningful changes occurring in the insurance business, which are playing into strength of ChoicePoint. Especially in these economic times, people are shopping around for more car insurance quotas and quotas on their home insurance. ChoicePoint earns money for every quote. With the additional competitive pressure, from the consumer and from the insurance company which is seeking additional business, the importance of additional analytics is becoming an important point in the insurance business. ChoicePoint excels at those analytics for its technology and its data access are the best in the market. With more data, more technology power and more analytical capacity than anybody in the market, the performance of insurance is exceptionally strong. The growth last year was ten per cent (10%) and the expectation this year is for growth to be in double digits. While there will be challenges ahead, it seems that what is done is carefully considered and the performance and results so far are delighting. Upon the request of the Chairman, Andy Prozes continues about the market position of ChoicePoint. The combined ChoicePoint plus risk business is overall very strong. We provide information to employers who are looking at new employees at plants, institutions and who are deciding whether to credit law enforcement, assessing the security and risk associated with various individuals. In the variety of markets, ChoicePoint is the number one or two in virtually all these markets. In insurance, ChoicePoint is by far the strongest and largest: for auto insurance about ninety-five per cent (95%) of the underwriting quotas are handled and for information about auto insurance and home insurance about sixty per cent (60%) is handled. ChoicePoint is strongly exceeding in the property and casualty insurance market.

Mark Armour refers to his earlier comments made. This year, one billion and five hundred million US Dollars (US\$ 1,500,000,000) of bonds were issued in the Yankee market. The investors were back to their desks on the fifth day of January, we were in their offices on the seventh day of January and only two weeks thereafter, the amount

in bonds had been launched. This is a testament to the strength and recognition that Reed Elsevier has in the US Market. We issued in the Sterling market and in the euro bond market for sort of good prices given the environment in size. All issues were well over-subscribed and in the end, more than initially was anticipated and at better prices. For the revolving credit facility, which is due to expire in two thousand ten, it was considered to be prudent to put a fourth start arrangement and to go from ten May to twelve May, involving nineteen (19) banks (these are core relationship facts). While strong sensible relationships were in place for many years, the banks are making choices about the customers they wish to support. Having the entire banking crew as solid supportive in a novel structure, as the fourth start arrangement is a novel structure suiting these circumstances, this is again a testament to the way that Reed Elsevier is reviewed in the debt and credit markets. In terms of the key metric that rating agencies and the banks look at, this is the cash flow and in last year, even after the dividends, we have generated eight hundred million euros (€800,000,000) in cash. This provides for discipline. Coming back to the earlier question, over the last three (3) or four (4) years there has been a lot of pressure on companies to borrow lots of money and do a one-off buy-back or two billion US Dollars (US\$ 2,000,000,000) buy-back. This was never done by Reed Elsevier, while we did give the proceeds of Harcourt Education back since this cash was in the bank. A prudent path has been trodden without answering to the silent calls of leverage. The ratios are slightly beyond where they are wanted to be at this time, because we acquired a very strategic valuable asset for Reed Elsevier. Our ratios will come back into trim with cash flow thudding in, which is a reassurance.

3. Discussions and adoption of the 2008 Annual Financial Statements (Resolution).

The **Chairman** asks whether there are any other questions regarding the Annual Report 2008 and reckons that without any further questions, the Annual Report 2008 has been fully been discussed. In respect of the adoption of the statutory financial statements over the financial year two thousand eight, the accounts of Reed Elsevier in euros are included on pages 162 through 184 of the Reed Elsevier Annual Reports and Financial Statements 2008 and should be read in conjunction with the combined financial statements on pages 83 to 126 as part of the notes to the statutory financial statements. These are listed in Pounds, however, on pages 127 to 141, the combined financial information in euros is summarized. The Reed Elsevier Annual Reports and Financial Statements 2008 are available on the website and on page 105 thereof, the adjusted figures are included.

The annual accounts have been prepared by the Executive Board and verified by the accountants of Deloitte Accounts B.V., Amsterdam. On page 178, the approving independent auditor's report on the consolidated financial statements and on page 182, the approving independent auditor's report on the parent company financial statements are provided. The approving report of Deloitte on the combined financial statements can be found on page 126 of the Reed Elsevier Annual Reports and Financial Statements 2008.

It is now proposed to adopt the "2008 Annual Financial Statements", in accordance with Section 2:101 paragraph 3 of the Dutch Civil Code and article 31 paragraph 1 of the articles of association of the Company. The Annual Report 2008 has been discussed with the Audit Committee, the Executive Board, the Supervisory Board and the external auditor. The Audit Committee has reported to the Executive Board and the Supervisory Board. Subsequently, the Annual Report 2008 was discussed by and

between the Executive Board and the Supervisory Board, in presence of the auditor and the auditors' team of Deloitte in London. The Executive Board proposed the adoption of the 2008 Annual Financial Statements and the dividends as set out therein.

The **Chairman** determines that there are not further questions and asks the attendees to cast their votes electronically, by pressing one as to vote in favour of this resolution, two as to vote against for voting against and by pressing three, if you do not wish to vote in favour or against this resolution to adopt the 2008 Annual Financial Statements.

The **Chairman** establishes that a majority has casted their votes in favour of this resolution and that therefore the 2008 Annual Financial Statements of the Company have been adopted.

4. Release from liability of the members of the Executive Board and the Supervisory Board (discharge).

Following the adoption of the 2008 Annual Financial Statements, the **Chairman** notes the request to the attendees to grant their discharge to the members of the Executive Board for their management and to the members of the Supervisory Board for their supervision on the Executive Board, during the financial year two thousand eight. The scope of the discharge granted is limited to the information as provided by the Reed Elsevier Annual Reports and Financial Statements 2008 and the information further provided at this meeting, together with other matters disclosed by the Company.

4(a). The release of liability of the members of the Executive Board (Resolution).

The **Chairman** asks whether there are any questions as to this agenda item and confirms that this is not the case. The attendees are requested to cast their votes on this resolution. Upon completion of the voting, the **Chairman** establishes that since a majority of the attendees has casted their votes in favour of this resolution, it has been adopted.

4(b). The release of liability of the members of the Supervisory Board (Resolution).

Subsequently, the **Chairman** requests whether there are any questions as to this agenda item and after establishing that there are no further questions he submits this resolution to the vote of the meeting. The **Chairman** establishes that the meeting has voted in favour of this resolution and that it is thus adopted.

5. Dividend (Resolution).

The **Chairman** mentions that the adoption of the distribution of a dividend is to be discussed. The legal framework of the allocation of the profits and dividends are further described on page 30 and page 183 of the Reed Elsevier Annual Reports and Financial Statements 2008. The Combined Board of the Company and Reed Elsevier Plc. proposes a final dividend of twenty-nine eurocents (€0.29) per ordinary share in the capital of the Company and fifteen pence (£ 0.15) per share in the capital of Reed Elsevier Plc. Together with the eleven point four eurocents ((€0.114) per ordinary share in the capital of the Company paid on twenty-nine August two thousand eight, this means that a total dividend of forty point four eurocents (€0.404) per ordinary share in the capital of the Company is paid in two thousand eight. This is seven per cent (7%) lower in comparison to previous year.

In conjunction with the repurchase of shares in two thousand eight, the final dividend proposal of the Company and Reed Elsevier Plc. amounts to four hundred and sixty

million euros (€460,000,000), which is thirty-two per cent (32%) of the cash flow over two thousand eight to be distributed to the shareholders of the parent company. The dividend proposal is in accordance with the dividend policy approved by the general meeting of shareholders in two thousand five, pursuant to which the dividend will generally over the long term be covered at least twice by adjusted earnings per shares. A reference is made to the paragraphs about dividend included on page 8 and page 30 of the Reed Elsevier Annual Reports and Financial Statements 2008. The **Chairman** asks the attendees whether they have any questions or observations.

Mrs. Van den Dungen states that the dividend policy aims to have the dividend increasing with the adjusted earnings per share, while the dividend is generally over the long term covered at least twice by adjusted earnings per shares. Previous year, the dividend of the Company declined, while the adjusted earning per share enhanced. This can be explained since Reed Elsevier wishes to have an equivalent amount of the dividend distributed by the Company and by Reed Elsevier Plc. However, the constant currencies do have an effect. This raises the following questions: what can be derived from the amount and expectation of the dividend in such case and secondly, whether the dual structure is not regarded as a disadvantage here.

Mark Armour responds by saying that having a dividend in euros and a dividend in Sterling creates disparity, which at times is unfortunate. The reason for the decline was that the Company and Reed Elsevier Plc. in dividends are linked and these are equalised through the mechanism that was agreed at the time of the merger and is enshrined in the articles of association of the Company. In reality, when the dividend was proposed in February two thousand eight, the exchange rate was one euro and thirty eurocents (€1.30) to one Pound (£ 1). In the same year, the exchange rate was also one euro and thirty-four eurocents (€1.34), which is quite a difference. If the dividend of the Company was improved, the dividend of Reed Elsevier Plc. would be multiplied as well. Since at this time, there was a focus on the balance sheet, it seemed imprudent to allow for such dividend increase of Reed Elsevier Plc. The aim of maintaining at least two times dividend cover may easily be breach if there was such push for the stronger currency, which is not prudent for the long term. While having a significant amount of shares, it is concluded that in terms of equalisation, this is the mechanism which suits the long term.

Since there are no further questions or observations raised, the **Chairman** enables voting on this resolution and subsequently, establishes that the meeting has voted in favour and that the resolution has been adopted.

6. Appointment of the external auditor (Resolution).

The **Chairman** states that the Audit Committee has conducted a formal review of the performance of the external auditors and the effectiveness of the audit of the 2008 Annual Financial Statements and their independence towards the Executive Board. Based on this review, and on their subsequent observations on the planning and execution of the external audit over two thousand eight, the Executive Board recommended the re-appointment of Deloitte Accountants B.V. as external auditors which are to conduct the audit over the financial year two thousand nine. A reference is also made to the report of the Audit Committee on pages 81-82 of the Reed Elsevier Annual Reports and Financial Statements 2008. The Supervisory Board follows the recommendation of this appointment as external auditors. For their audit of the results and financial statements of the Reed Elsevier combined businesses, the external accountants will cooperate with the accountants of Deloitte Limited Partnership, London, which were re-appointed in the annual meeting of shareholders

of Reed Elsevier Plc. yesterday.

Considering that there are no questions or observations raised, the **Chairman** proposes voting on this Resolution. The **Chairman** confirms that the resolution has been adopted.

7. Composition of the Supervisory Board.

For the composition of the Supervisory Board and the changes, the **Chairman** refers to the explanatory notes to the agenda and the biographical information of the candidates for appointment as provided therein. In accordance with the rotation schedule of the Supervisory Board, the following four members will stand down at the end of this Annual Meeting: Lord Sharman, David Reid, Mark Elliott and Dien de Boer-Kruyt.

On twenty-sixth day of January two thousand nine, it has been made public that the Chairman will step down as Chairman from the Supervisory Board of the Company and as Chairman of the Board of Reed Elsevier Plc. Yesterday, at the Annual General Meeting in London, the Chairman has stepped down as Chairman of the Board of Reed Elsevier Plc. Unfortunately, it will not be possible to further combine this Chairmanship, since the Chairman will also be appointed as CEO of ING Group on the twenty-seventh day of April two thousand nine.

All appointments to the Supervisory Board are to be made in accordance with the profile of that board, which is available from the Reed Elsevier website and at the entrance of this assemblee. The Nominations Committee has concluded its recruiting process of a successor of the Chairman of the Supervisory Board and announced publicly the appointment of Mr. Habgood as Chairman. Mr. Habgood has been invited to attend this annual meeting and is present today.

In order to arrange for the appointment of Mr. Habgood as member of the Supervisory Board, and the subsequent appointment by the Board as Chairman, an extraordinary meeting of shareholders will be convened. The Supervisory Board has resolved that Mr. David Reid will be the interim Chairman of the Supervisory Board until the appointment of Mr. Habgood has been resolved. In view of the stepping down of the Chairman of the Supervisory Board of the Company, the Nominations Committee has requested Mrs. De Boer-Kruyt to also be available for re-appointment for a period of one year from this Annual General Meeting. Mrs. De Boer-Kruyt has served three (3) terms of each three (3) years as member of the Supervisory Board, which is within the maximum period of twelve (12) years under the Dutch Corporate Governance Code. Further to the positive result of the review of the Corporate Governance Committee of Reed Elsevier, the Nominations Committee recommends the re-appointment of each member of the Supervisory Board, who confirmed to be available for such re-appointment. In accordance with the recommendation of the Nominations Committee, the re-appointment is recommended by the Combined board. None of the candidates holds an interest in the share capital of the Company. The candidates are eligible for appointment, willing to be appointed and comply with the requirements of independency as described in the Dutch Corporate Governance Code. Further biographical details are included in the explanatory notes to the agenda.

In accordance with the Governing Agreement entered into by the Company and Reed Elsevier Plc. regulating their relationship following the merger of their respective businesses, the composition of the Boards is harmonised. With the exception of Mrs. De Boer-Kruyt who is solely member of the Supervisory Board, all candidates for the Supervisory Board were also proposed for re-appointment at the annual meeting of shareholders of Reed Elsevier Plc., whose appointments have been adopted yesterday.

7(a). Re-appointment Lord Sharman (Resolution).

Since no attendee wishes to raise any question about the proposed re-appointments, the **Chairman** submits the proposal of re-appointing Mr. Lord Sharman to the vote of the meeting. Upon completion of the voting, the Chairman establishes that this resolution has been adopted and congratulates Lord Sharman with his re-appointment.

7(b). Re-appointment David Reid (Resolution).

The **Chairman** continues by submitting the proposal of re-appointing Mr. David Reid to the vote of the meeting and subsequently states that this Resolution has been adopted with ninety-nine point eight per cent (99.8%) of the votes casted in favour and congratulates David Reid with his re-appointment.

7(c). Re-appointment Mark Elliott (Resolution).

The proposal of re-appointing Mr. Mark Elliott is submitted to the vote of the meeting. The **Chairman** establishes that this resolution has been adopted and congratulates Mark Elliott with his re-appointment.

7(d). Re-appointment David Reid (Resolution).

Finally, the **Chairman** submits the proposal of re-appointing Mrs. De Boer-Kruyt to the vote of the meeting and establishes after completion of the vote, that this resolution has also been adopted and that Mrs. De Boer-Kruyt is re-appointed for the period of one (1) year, ending at the annual general meeting of two thousand ten. The **Chairman** is grateful of the provided confidence in the candidates and congratulates each member with his or her re-appointment which is followed by an applause of the attendees.

8. Composition of the Executive Board.

The Chairman refers to his letter with the agenda and the explanatory notes of the agenda, in which it was included that Sir Crispin Davis retired as member of the Executive Board and Chief Executive Officer as per nineteenth day of March two thousand nine. Already in November two thousand eight, the intended appointment of Ian Smith to succeed Mr. Davis as member of the Executive Board and Chief Executive Officer was announced, under the condition that his appointment was to be effected by the general meeting of shareholders of the Company. Mr. Smith is fifty-five (55) years old, is a British citizen and further biographical details are included in the explanatory notes to the agenda. Mr. Smith is also present at this meeting. Mr. Smith joined the Board of Reed Elsevier Plc. on the first day of January two thousand nine as CEO-designate and assumed the position of CEO of Reed Elsevier Plc. on the nineteenth day of March two thousand nine. Yesterday, in the annual general meeting of Reed Elsevier Plc., Mr. Ian Smith was appointed as member of the Board and CEO of Reed Elsevier Plc.

As announced previously, Gerard van den Aast has stepped down as member of the Executive Board on the fifteenth day of December two thousand eight. Considering that the Combined Board has determined that the number of members of the Executive Board is reduced from five (5) members to four (4) members, there are no vacancies at the moment.

8(a). Appointment Ian Smith (Resolution).

The **Chairman** notes that Combined Board recommends the appointment of Mr. Ian Smith as member of the Executive Board in accordance with article 15 paragraph 2 of the articles of association of the Company. In compliance with article 15 paragraph 7 of the articles of association of the Company, the appointment will be for a period of three (3) years, starting from the end of this meeting and ending in two thousand twelve. In principle, Mr. Ian Smith is eligible to be re-appointed at that time. The

most important elements in the employment agreement of Mr. Smith have been published in the Remuneration Report on page 70 of the Reed Elsevier Annual Reports and Financial Statements 2008. The **Chairman** requests whether any of the attendees have any observations about this appointment.

Mrs. Van den Dungen observes that while the appointment of Mr. Ian Smith is not an issue, his special arrangement for a reward is. He is eligible to receive an award of performance shares with a market value of ninety per cent (90%) of his base salary, in accordance with the long term incentive plan (LTIP) of two thousand eight. It is not clear to us for which reason this signing fee is provided?

Mark Armour notes that he would not refer to this as a signing bonus, for the reasoning is to insure from the beginning of Mr. Ian Smith joining the teams, he is compensated for the last two years of the long term incentive objectives that are provided also to the remainder of the Board. As he joins part-way through, this is the reason for the secondary apparent reward of the long term incentive.

Mr. Van der Helm mentions that he does not doubt the qualities of Mr. Ian Smith and already offers his congratulations for his new appointment as CEO. Considering the diversity statement issued last year and the fifty-four per cent (54%) of the entire employees of Reed Elsevier are women, it is disappointing to have an Executive Board which is only comprised of men. An explanation is requested.

The **Chairman** explains that a search was launched, within and outside Reed Elsevier and in almost every country, however, without such result. In the international process of recruitment, Mr. Ian Smith was the best candidate. It remains important in these kind of processes to find the best talented candidate for such an important position. Naturally, there is a confidence in also having female members in the Executive Board in time, which may even occur in the period of the new CEO.

Mr. Van der Klis remarks that a decision was taken after a process of recruitment and requests in what way the experience of Mr. Ian Smith, in the publishing or other business was determining in such decision.

The **Chairman** responds by confirming that not only the experience in the publishing business was determining, but also his adequate and wide experience in strategy and operations and internationally (for he worked in multiple jurisdictions, such as the Netherlands, America and the UK) were considered. He has much experience with regard to management, the ability to form and build teams, which is important. He is a moving individual, who can also bring across the current society as it is. It is thought to be an absolute top director and time will prove whether this assumption is correct, while there is a lot of confidence in Mr. Ian Smith.

As there are no further questions or observations, the **Chairman** submits the proposal to appoint Mr. Ian Smith as member of the Executive Board for a vote. Upon completion of the vote, the **Chairman** establishes that the resolution has been adopted and congratulates Ian Smith with his appointment.

9. Delegation to the Executive Board of the authority to acquire shares in the Company (Resolution).

The **Chairman** proceeds with discussing the authorisation granted by the general meeting of shareholders to the Executive Board, as authorised corporate body to acquire own shares of the Company. In accordance with article 9 of the articles of association of the Company, the Company can repurchase shares in its own share capital pursuant to a resolution of the Executive Board for this authority to acquire own shares of the Company through stock exchange trading or otherwise. Such authority was lastly granted for a period of eighteen (18) months on the twenty-fourth

day of April two thousand eight by the general meeting of shareholders, for a period up to and including the thirtieth day of September two thousand nine. In compliance with article 9 of the articles of association of the Company, it is now proposed to delegate the authority to the Executive Board for a period of eighteen (18) months, from the date of this annual meeting of shareholders up to and including the twenty-first day of October two thousand ten. This is a recurring item on the agenda of the annual meeting of shareholders for it is considered that there are circumstances in which the Executive Board is to be authorised to repurchase shares. The authority of the Executive Board is merely used for the continuance with the annual share repurchase programme, as introduced in two thousand eight. The delegation of authority relates to a purchase up to a maximum of ten per cent (10%) of issued shares in the capital of the Company by market purchase.

Since there are no further questions or observations raised, the **Chairman** enables voting on this resolution and subsequently establishes that the meeting has adopted the resolution.

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

The **Chairman** opens the discussion on the agenda item 10.

10(a). Designation of the Combined Board as authorised body to issue shares and to grant rights to acquire shares in the capital of the Company (Resolution).

The **Chairman** proposes to designate the Combined Board for a period of eighteen (18) months from the date of this meeting up to and including the twenty-first day of October two thousand ten, in accordance with article 6.2 of the articles of association:

- (i) to issue shares and grant rights to acquire shares in the capital of the Company, provided this authority will be limited to ten per cent (10%) of the issued and outstanding share capital of the Company at close of trading on Euronext Amsterdam on the date of this meeting, plus an additional ten per cent (10%) of the issued and outstanding share capital of the Company as per the same date in relation to mergers or acquisitions;
- (ii) furthermore and without application of the ten per cent (10%) limitation, to issue shares in the capital of the Company in so far as this would be done to meet obligations resulting from the exercise of rights to acquire shares under approved (share) option schemes.

This general meeting of shareholders lastly resolved to grant the authority to issue shares and to grant rights to acquire shares in the capital of the Company on the twenty-fourth day of April two thousand eight at the annual meeting of shareholders, for a period of eighteen (18) months up to and including the thirtieth day of September two thousand nine. The Combined Board recommends this proposal.

10(b). Extension of the designation of the Combined Board as authorised body to limit or exclude statutory pre-emptive rights to the issuance of shares (Resolution).

The **Chairman** notes that in line with the aforementioned proposal, it is the proposal of the Combined Board to the general meeting of shareholders to extend the current designation of the Combined Board as authorised body to limit or exclude the statutory pre-emptive rights of shareholders at an issue of shares or a grant of rights to acquire shares in the capital of the Company, to be resolved upon by the Combined Board pursuant to this agenda item, for a period of eighteen (18) months from the date of this meeting up to and including the twenty-first day of October two thousand ten, in accordance with article 7.4 of the articles of association. The Combined Board also

recommends this proposal.

The **Chairman** asks whether any of the attendees have any questions.

Mrs. Van den Dungen notes that during last year, six million five hundred thousand (6,500,000) shares in the capital of Reed Elsevier Plc. and two million five thousand (2,500,000) shares in the capital of the Company were issued. What is the reasoning that Reed Elsevier does not repurchase shares to cover the (share) option schemes as provided for in recommendation 13 of Eumedion? The requested authorisation regards the issue of ten per cent (10%) of the issued and outstanding share capital of the Company, which should include the obligations resulting from the exercise of rights to acquire shares under (share) option schemes and then an extra ten per cent (10%) of the issued and outstanding share capital of the Company could be added in relation to mergers or acquisitions. The requested designation for the issue of new shares in order to meet the obligations resulting from the exercise of rights to acquire shares under (share) option schemes is a too far-reaching authority.

Mark Armour responds by noting that the choice to buy shares or to issue shares is generally a sort of macro-funding. In the way the stock market has gone the last ten (10) years, this has yet been to the shareholders' benefit. It has been a choice to issue shares in term of options, instead to buy them upfront. Shares are also bought in particular long term incentive plans and other restricted stock, which purchase is made through the employee benefit trust. We do this partly and have the funding flexibility for it.

Since there are no further questions, the **Chairman** submits the proposal of the designation of the Combined Board as authorised body to issue shares and to grant rights to acquire shares in the capital of the Company, to a vote. The **Chairman** establishes that the General Meeting of Shareholders has adopted this resolution of agenda item 10(a).

Immediately thereafter, the **Chairman** submits the proposal of the extension of the designation of the Combined Board as authorised body to limit or exclude statutory pre-emptive rights to a vote and upon completion thereof establishes that the General Meeting of Shareholders has adopted this resolution of agenda item 10(b) as well.

11. Any other business.

The **Chairman** asks whether any of the attendees has any other questions or observations and concludes that there are no questions or observations.

12. Close of Meeting.

As there is no further business to be conducted, the **Chairman** closes the meeting.

Mr. David Reid subsequently expresses words of thanks to the Chairman and notes that he made a very strong contribution by making the Board accelerate the change in portfolio and strategic choices. On behalf of the Combined Board and the Shareholders, he offers an applause for Jan Hommen to show their appreciation.

Voting results.

The exact results of the votings are set out in a document provided to me, civil law notary, by the Company after the meeting, which document is attached to this deed (*Annex 2*).

Final.

In witness of the proceedings in the meeting, the original of the deed of record which will be retained by me, civil law notary, is executed in Amsterdam, the Netherlands, on the first day of February two thousand and ten, by Mechteld Suzette Flohil, with office address at Strawinskylaan 10, 1077 XZ Amsterdam, the Netherlands, born in The Hague, the Netherlands, on the twenty-first day of September nineteen hundred

and eighty-one, who for the purposes hereof is acting as attorney authorised in writing of the Chairman, which document is attached to this deed, and which person appearing is known to me, civil law notary and is executed by me, civil law notary. (was signed) M.S. Flohil; D.J. Smit.