

---

## MANAGEMENT BOARD REMUNERATION POLICY

### 1 DEFINITIONS AND EXPLANATION OF ADJUSTMENTS

- 1.1 Capitalized terms used but not defined herein shall have the meaning assigned to them in the Management Board Rules.
- 1.2 The adjustments to this Remuneration Policy are aimed to seek alignment and comply with the requirements as provided by article 2:135a of the Dutch Civil Code (DCC), effective on 1 December 2019 and implementing the EU Shareholder Rights Directive II (2017/828/EU) (SRD II). The adjustments to the policy will be submitted for approval to the annual General Meeting of Shareholders in 2020.

### 2 INTRODUCTION

- 2.1 In the creation and review of the Management Board Remuneration Policy (the “**Remuneration Policy**”), considerations were given to the alignment with TomTom’s organization mission, identity, values, long-term interest and strategy as well as to sustainability and the perspectives of the many stakeholders of TomTom.
- 2.2 At TomTom, we believe in keeping the world moving. Our vision is of a safe, connected, autonomous world free of congestion and emissions. To achieve that vision, we create the most innovative technologies to help shape tomorrow’s mobility. That vision is achievable through, among other things, a combination of in-house innovation and long-term partnerships with other key innovators in this quickly evolving field. The Remuneration Policy for the Management Board focuses on this long-term perspective and ultimate achievement of that vision.
- 2.3 The development and review of the Remuneration Policy encompasses many components and perspectives and drives the principles by which we shape remuneration within TomTom. These include, but are not limited to, the following:
  - a) TomTom vision – The policy must align with, underpinning behaviour towards, the achievement of the Company vision. In the longer term, the achievement of our vision and strategy creates value for all stakeholders. The TomTom share price is being considered in this respect.

- 
- b) Internal alignment – At TomTom we value simplicity. We take complex issues and create solutions that are easy to use and understand. This extends to our remuneration overall, and the Remuneration Policy. We align our pay structures throughout the organization. Employee and Management Board structures are aligned in the approach to base salary, variable pay and external remuneration benchmarking, although execution of such may differ based on country regulations. Additional checks and balances are: i) relative total remuneration as indicated by the reported pay ratio is considered to ensure alignment throughout the organisation, and ii) a scenario analysis of the possible outcomes of the variable components that is conducted annually to minimize the risk that the various levels of short-term performance criteria and share price changes lead to inappropriate outcomes. Finally, the view of each of the Management Board members of his/her remuneration package is considered by the Remuneration Committee.
- c) External competitiveness – At TomTom, talent is key to the delivery of our vision and strategy. It is therefore imperative that our remuneration is competitive with the companies with whom we compete for talent and consideration given to the international markets in which we compete for that talent.
- d) Stakeholders - The perspectives of TomTom stakeholders and the level of support in society regarding this policy are taken into consideration in the development of the policy. On a regular basis, the Works Council, as representatives of the employee population, meets with the Chairman and members of the Supervisory Board including the Remuneration Committee for discussion on a range of topics, including their feedback on the Remuneration Policy. The Supervisory Board and the Management Board both follow the societal implications of general remuneration trends and perspectives globally and locally. In the Dutch context, the Supervisory Board closely monitors the analysis and reporting on remuneration and particularly the reporting of TomTom in any media. Input provided directly by shareholders and remuneration voting outcomes are always considered. Finally, the perspectives of other stakeholders such as investor organizations and/or proxy advisors are actively solicited and considered. Annually, the Remuneration Committee will meet such representatives to understand priorities and possible concerns. As with all diverse interests and perspectives, opinions will differ, however TomTom endeavours to consider as many as possible.

- e) Regulatory environment – We consider relevant laws and regulations and the Dutch Corporate Governance Code. We aspire to live up to the highest standards of good corporate governance and enhanced transparency on our Management Board remuneration. We monitor and review compliance with all relevant and changing laws and regulations and anticipate future changes and best practice in the marketplace.

### **3 OBJECTIVES**

- 3.1 The objective of the Remuneration Policy for the Management Board of the Company is to provide remuneration in a manner that:
  - a) qualified and expert leaders can be recruited and retained as members of the Management Board;
  - b) a responsible and sustainable remuneration practice is applied, in line with the result-driven remuneration principles and practices throughout the Company;
  - c) members of the Management Board are rewarded consistent with the Company's strategy, operational and financial results and delivery of value to shareholders; and
  - d) provides total compensation (base salary, short-term incentives, long-term incentives and benefits) that is competitive with both Dutch and international total compensation practices for comparable jobs such that base salary levels will be geared around the median and total compensation geared around the third quartile of compensation practices if the company's operational results are in line with or exceed challenging performance goals.

### **4 DECISION MAKING PROCESS**

- 4.1 The Supervisory Board proposes for adoption once every four-year period, TomTom's Management Board Remuneration Policy to the General Meeting of Shareholders. The decision for adoption of the Remuneration Policy requires at least 75% of the cast votes in favor.
- 4.2 In line with the Remuneration Policy as adopted by the General Meeting of Shareholders, the Supervisory Board determines the remuneration of individual members of the Management Board. The Remuneration Committee prepares the Supervisory Board's decision making regarding the determination of the remuneration of individual Management Board members, within the scope of the applicable Remuneration Policy. External advisers may be consulted to provide advice and information to the Supervisory Board for the development and implementation of the remuneration.

- 4.3 The Supervisory Board evaluates the remuneration structure regularly in order to ensure that it meets the objective of the Remuneration Policy. In determining the remuneration of an individual member of the Management Board within the Remuneration Policy, the Supervisory Board will take into account factors such as the required competencies, skills, experience, and performance of the individual concerned, market competitiveness and the specific role and responsibilities of the relevant position.
- 4.4 The Remuneration Report describes the process which has been followed by the Remuneration Committee and Supervisory Board in relation to the execution of the Remuneration Policy over the given financial year, and, if applicable, any proposed revision of the Remuneration Policy. Every year, the execution of the Remuneration Policy, through the Remuneration Report, is being put forward as an advisory vote to the AGM.
- 4.5 This Remuneration Policy may only be amended by the General Meeting of Shareholders, upon a proposal of the Supervisory Board.
- 4.6 All revisions of the Remuneration Policy shall be accompanied by a description and explanation of all significant changes and the decision- making process followed. When the General Meeting of Shareholders does not approve the proposed amendments to the Remuneration Policy, the Company shall continue to remunerate in accordance with the existing approved Remuneration Policy and shall submit a revised policy for approval at the following General Meeting of Shareholders.

## **5 REMUNERATION STRUCTURE**

- 5.1 The remuneration structure comprises (i) base salary, (ii) an annual incentive scheme, (iii) long-term incentives, and (iv) benefits (including pension scheme contributions). Contracts may include a severance pay clause.
- 5.2 Total compensation consisting of these elements will be reviewed relative to Dutch and international competitive total compensation practices within a selected peer group of companies with a similar board structure and/or on the basis of job size within the general pay market for management board positions. This review will be conducted at least every 3 years. The Supervisory Board uses the benchmark data from the peer group companies as a guide to the competitiveness of the remuneration packages. In addition, the Supervisory Board also considers internal relativity on total remuneration levels as indicated by the reported pay ratio to ensure alignment throughout the organisation.

## **6 BASE SALARY**

- 6.1 The Supervisory Board, upon the recommendation of the Remuneration Committee, determines the base salary for each of the members of the Management Board.
- 6.2 Base salary levels will be geared around the median of both Dutch and international pay practice for comparable jobs.
- 6.3 The Supervisory Board uses the benchmark data from the peer group companies as a guide to the competitiveness of the base salary. In addition, the Supervisory Board also considers internal relativity on total remuneration levels as indicated by the reported pay ratio to ensure alignment throughout the organisation.
- 6.4 Unless otherwise determined by the Supervisory Board, base salary levels will be increased annually in alignment with the expected average annual increase in the fixed salary of the employees of the Company based in the Netherlands.

## **7 ANNUAL INCENTIVE SCHEME**

- 7.1 An annual incentive (bonus) scheme shall apply to the Management Board. The incentive scheme will provide a cash payment, the level of which shall depend on the fulfilment of pre-determined criteria and annual objectives. The criteria and objectives shall be determined and reviewed by the Supervisory Board in a consistent manner.
- 7.2 At this moment, the annual incentive for the CEO has an at-target level of 80% of base salary; the other members of the Management Board have an at target level of 64% of base salary. This target level is reviewed during competitive total compensation benchmark reviews and may change to reflect changes in competitive compensation levels in the market.
- 7.3 The maximum payout of the annual incentive is 1.5 times the at-target level.
- 7.4 The Supervisory Board shall determine the performance criteria for individual members of the Management Board. The performance criteria will be based on the Company's strategic agenda, which includes financial criteria, and may include other quantitative and qualitative criteria if appropriate in that year. Financial criteria may include, but are not limited to, one or more of the following: (operational) revenue, operating income, EBIT, EBITDA and free cash flow. Other quantitative and qualitative criteria may include but are not limited to one or more of the following: employee engagement and the UN Sustainable Development Goals.

- 7.5 The target levels are set at the beginning of the year and do not change during the year. A minimum level of performance must be achieved before any payment will be made. Further details regarding the assessment of performance are provided in the Remuneration Report for the respective financial year.
- 7.6 The CEO shall update the Supervisory Board on the achievement of the objectives against the individual performance criteria on a quarterly basis. Payout of the bonus, if any, is done in March.
- 7.7 After the end of a financial year, the Management Board shall prepare an evaluation of the past financial year. The evaluation shall include the extent to which the individual applicable performance criteria have been met. On the basis of this evaluation and its own investigation and deliberations, the Supervisory Board shall determine the annual incentive of each of the individual members of the Management Board. The Supervisory Board assesses whether the outcome of the calculated payout is justified by the overall business performance.

## **8 LONG-TERM INCENTIVES**

- 8.1 The Company's long-term incentive scheme is intended to:
  - a) attract and retain key talent to the Company in order to safeguard its human capital which is needed to meet the business objectives and deliver long-term value to shareholders;
  - b) align the interests of the members of the Management Board, with those of the shareholders through a focus on the increase in value of the TomTom N.V. shares; and
  - c) encourage TomTom N.V. share ownership.
- 8.2 TomTom N.V. operates a long-term incentive plan in the form of a restricted stock unit ('RSU') plan. Members of the Management Board are eligible to participate in the TomTom N.V. Management Board RSU Plan. RSUs granted under this plan are conditional on continued employment until the vesting date. The RSUs shall vest three years after the date of grant, followed by a two-year holding period. The number of RSUs granted is determined on the basis of the average of the closing prices of TomTom N.V. shares in the sixty trading days preceding the grant date.
- 8.3 The Supervisory Board at its sole discretion will decide if and to what extent grants of RSUs shall be made to individual members of the Management Board, taking into account the TomTom N.V. Management Board RSU Plan. As a performance underpin, the Supervisory Board may decide not to award RSUs in case of exceptional market or business circumstances. Grants shall be determined on the basis of a consistent granting policy and set as a percentage

of the base salary of the members of the Management Board based on competitive market levels. At this moment, the grant target value is 140% of base salary for the CEO and 100% for the other members of the Management Board.

## **9 SHARE-OWNERSHIP GUIDELINES**

9.1 The Supervisory Board expects Management Board members to build up and own a minimum number of TomTom N.V. shares to further align the interests of the Management Board with those of shareholders.

9.2 The Supervisory Board has adopted share ownership guidelines further setting out the minimum holding requirements for the Management Board members. The shareholding requirements for the CEO are a minimum of three times base salary, and for the other members of the Management Board the requirements are a minimum of two times base salary.

## **10 AGREEMENTS WITH MANAGEMENT BOARD MEMBERS**

The Company enters into a management services agreement with each Management Board member for the duration of their respective appointments as Management Board member. Management Board members are appointed for a maximum period of 4 years, after which reappointment is possible. The management services agreements can be terminated by each party by observing a notice period (12 months for TomTom and 6 months for the Management Board member).

## **11 PENSIONS AND ADDITIONAL ARRANGEMENTS**

11.1 Members of the Management Board are eligible for and can opt to participate in the Company's pension plans or receive a contribution to their respective private pension plan.

11.2 Contributions to be paid by the Company on behalf of a member of the Management Board are based on a percentage of his/her gross annual base salary, up to a maximum of 20% of his/her gross annual base salary.

11.3 Additional arrangements that may be offered by the Company to the Management Board members include expense and relocation allowance, medical insurance, death and disability insurance and Company car arrangements.

## **12 SEVERANCE PAYMENTS**

In case the employment of a member of the Management Board or an management service agreement is terminated by or on the initiative of the Company, then the Management Board member shall be entitled to a fixed amount of 50% of one year's base salary, including holiday allowance, unless the employment is terminated for an "urgent reason" within the meaning of the articles 7:677, paragraph (1) and 7:678 of the DCC, in which situation the Management Board member is not entitled to any severance. A member of the Management Board will not be entitled to the severance if the employment is terminated by him/her or on his/her initiative.

## **13 REVISION AND CLAW BACK OF BONUS**

All incentive grants shall be subject to (i) the power of the Supervisory Board to revise the amount of the bonus to an appropriate amount if payment of the bonus would be unacceptable according to standards of reasonableness and fairness, and (ii) the power of the Company to claw back all or part of the bonus insofar as it has been awarded based on incorrect financial data or other data underlying the bonus or about the circumstances that the bonus was made subject to.

## **14 DEROGATION**

In exceptional circumstances only, the Company, acting through the Supervisory Board, may decide temporarily to derogate from clauses 6 up to and including 11 of this Remuneration Policy. A derogation for exceptional circumstances only covers situations in which the derogation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability. Such exceptional circumstances include, but are not limited to, situations such as the urgently required appointment of a member of the Management Board or the buy-out of remuneration forfeited on joining the Company to facilitate recruitment of a new member of the Management Board, comprising cash or long-term incentives.

*Approved by General Meeting of Shareholders  
15 June 2020*