

We strive to enhance the transparency of the remuneration of our Management Board

MANAGEMENT BOARD REMUNERATION POLICY

This section provides an overview of the Remuneration Policy for TomTom's Management Board. The Remuneration Policy has been adopted by the General Meeting, most recently in 2019.

Objectives and principles

The Remuneration Policy at TomTom is designed to attract and retain talent, and aims to provide fair, competitive and responsible remuneration for all employees, including the Management Board members. Success for the business means success for the individual employee. The policy therefore provides a company-wide framework for result-driven remuneration, linked to the achievement of strategic objectives. TomTom's company values ([see page 18](#)) form the framework for business practices and apply to the policy framework.

The policy supports our strategy, operational and financial results, and delivery of long-term value creation to all stakeholders. The Supervisory Board decides how to reward the successful delivery of the company's strategy by the Management Board. It ensures that the policy and its implementation are linked to the company's strategic priorities.

Our strategy balances growth objectives, financial stability and investments to position TomTom competitively in the evolving field of location technologies. The remuneration of Management Board members is intended to encourage behaviors that drive the generation of both short-term results to ensure ongoing progress and financial stability, and long-term value by pursuing growth and partnership opportunities through our location technologies and innovative services.

Our Remuneration Policy reflects the following principles, which shape the nature and positioning of remuneration for Management Board members as well as for senior management within TomTom:

- > Alignment with company strategy and long-term value creation.
- > Consistency with remuneration policies within TomTom.
- > Attractiveness and competitiveness.
- > Simplicity and transparency.
- > Compliance with relevant laws and regulations and the Dutch Corporate Governance Code.
- > Consideration of stakeholder concerns.

Summarized view of our remuneration policy and implementation in 2019

	Policy summary	Application in 2019 summary*
Base salary	<ul style="list-style-type: none"> > Median market level of peer group benchmark (conducted at least every three years). > Reviewed annually considering market environment and any planned adjustments for other employees. 	<p>Base salary as follows:</p> <ul style="list-style-type: none"> > Harold Goddijn €474,166 > Alain De Taeye €395,138 > Taco Titulaer €390,000 <p>The salary of Taco Titulaer was increased by 15%. Other Management Board salaries remained unchanged.</p>
Short-term incentive	<ul style="list-style-type: none"> > On target variable pay CEO: 80% of base salary. > On target variable pay other Management Board members: 64% of base salary. > Maximum level: CEO 120%, other Management Board members 96%. > Aligned with company variable pay structure. > Payout in cash based on annual targets, typically financial in nature. 	<p>Measures:</p> <ul style="list-style-type: none"> > Revenue (excluding Consumer Revenue): 50% > EBITDA minus Investments: 50% <p>Actual payout:</p> <ul style="list-style-type: none"> > CEO: 97% (of base salary) > Management Board members: 78% (of base salary) > The payout incentive zone is linear between minimum and target, and between target and maximum.
Long-term incentive	<ul style="list-style-type: none"> > Restricted Stock Unit (RSU) plan only. > Annual grant of RSU vests after three years, followed by a two year holding requirement. > Vesting is conditional upon employment only. > Target level CEO: 140% of base salary. > Target level for other Management Board members: 100% of base salary. > Actual grant levels do not deviate from target. 	<p>RSU grants as follows:</p> <ul style="list-style-type: none"> > Harold Goddijn 87,630 > Alain De Taeye 52,160 > Taco Titulaer 51,480 <ul style="list-style-type: none"> > Vest on the third anniversary of grant, followed by a two-year holding requirement. > Conditional on continued employment.
Pension benefits	<ul style="list-style-type: none"> > Maximum contribution: 20% of gross annual base salary. > Opportunity to opt out of the pension provisions. 	<ul style="list-style-type: none"> > Harold Goddijn Waived his pension rights > Alain De Taeye €79,028 > Taco Titulaer €78,000

* For a two-year remuneration overview reference is made to page 55.

REMUNERATION REPORT CONTINUED

IMPLEMENTATION IN 2019

This section provides an overview of the application of the Remuneration Policy in 2019, other remuneration information to ensure reporting transparency, and important contract terms of the Management Board members.

Peer group

In principle, the remuneration is benchmarked with a peer group at least every three years and reviewed annually. This helps to determine the overall competitiveness of our Management Board remuneration and gives an appropriate reflection of relevant competitive markets. The selection of the peer group is discussed and approved by the Supervisory Board.

In the years where no benchmark is performed, such as in 2019, the Supervisory Board considers the appropriateness of any changes to the base salary based on the market environment as well as on the average salary adjustments for our employees in The Netherlands.

Base salary

The base salary level benchmarked in 2018 was considered for 2019. The base salary for the CEO remained under median market level. However, it was decided not to bring the CEO's base salary closer to the median in 2019. The Management Board Member's base salary was in line with the median market level. The CFO's base salary was below median market level. As a result, the Supervisory Board approved a 15% increase to the base salary for the CFO for 2019.

Short-term incentive plan

Management Board members participate in the short-term, annual incentive plan, which is aligned with incentive schemes throughout the company.

The 'on-target' variable pay percentages for the Management Board members are assessed relative to those of our peer group companies. The 'on-target' variable pay percentage is 80% of base salary for the CEO, and 64% of base salary for the other Management Board members.

In case of excellent performance, the maximum variable pay opportunity is 120% of the base salary for the CEO and 96% of the base salary for the other Management Board members, which represents 150% of the target variable pay levels. The minimum variable pay opportunity is 0% of base salary. The short-term incentive structure is detailed in the following table.

2019 Management Board variable pay award level structure

(% of salary)	Target performance	Minimum performance	Maximum performance
CEO	80%	0%	120%
Other Board members	64%	0%	96%

The benchmark as conducted in 2018 indicated the target short-term incentive levels as a percentage of base salary provided to Management Board members were in line with market median of the peer group.

2019 PERFORMANCE CRITERIA AND OUTCOMES

On an annual basis, the Supervisory Board determines the most relevant performance criteria for the Management Board in regards to the short-term incentive plan. These criteria provide the framework for employee incentive schemes and are being cascaded down by the Management Board to the rest of the organization. This ensures the Management Board bonus structure is aligned with the company bonus structure. Additionally, the Supervisory Board sets challenging yet realistic target levels for each performance criteria. Similar to 2018, the emphasis for 2019 was on financial metrics in line with the company's strategy in achieving growth in location technology while maintaining expected levels of profitability for TomTom as a whole. These performance criteria are an important measure of the success of the execution of the company's strategy and, as such, remuneration is directly linked to the company's long-term value creation.

Target levels are set at the beginning of the year and do not change during the year. The performance against these targets is reviewed every quarter. The final assessment is determined at the end of the fiscal year, based on the audited financial results. Any potential payout under the short-term incentive plan occurs annually during the first quarter of the next financial year. There is a range within which a payout under the plan may occur, as detailed in the structure above. A minimum level of performance must be achieved before any payment under the plan will be made. Payout is capped at an outstanding level of performance, known as the maximum.

For 2019, the performance criteria selected reflect the balance between growth in key areas and overall profitability. These criteria are: Location Technology revenue weighted at 50% and TomTom EBITDA minus Investment also weighted at 50%. Location Technology revenue, excluding Consumer, was selected as it directly reflects our long-term success and value creation. Considering the expected continuing revenue decline in our Consumer segment, and to reflect TomTom's business transformation, the revenue metric excludes revenue from our Consumer unit. However, at a profitability level, the full TomTom group profitability is important and as such Consumer is included in the profitability metric of EBITDA minus Investments. The EBITDA minus Investments metric was introduced in 2017 to ensure appropriate focus on cash flow generation. Each Management Board member's performance has been determined against these criteria.

REMUNERATION REPORT CONTINUED

The assessment of performance under the short-term incentive plan is done by the Remuneration Committee, after consultation with the Audit Committee. It is then proposed to the Supervisory Board for decision-making purposes. In preparation for that assessment, the Chairs of the Remuneration Committee and the Audit Committee review the final outcomes, including any quality of earnings elements and relevant aspects of operational business performance, to ensure complete alignment on performance by both committees. The proposal for approval to the Supervisory Board includes a view on the coherence between the proposed payment and overall business performance.

2019 Short-term incentive plan measures and outcomes

Measures ¹	Measure weight	Achievement of target	Variable pay outcome
Location Technology Revenue	50%	92%	46%
EBITDA – Investments	50%	150%	75%
Total	100%		121%

2019 Variable pay outcome calculation

Harold Goddijn

Target variable pay:			
€ 474,166	x	Outcome:	= € 459,372
(base salary) x 80% =		121%	(97% of base salary)
€ 379,333			

Alain De Taeve

Target variable pay:			
€ 395,138	x	Outcome:	= € 306,248
(base salary) x 64% =		121%	(78% of base salary)
€ 252,889			

Taco Titulaer

Target variable pay:			
€ 390,000	x	Outcome:	= € 302,266
(base salary) x 64% =		121%	(78% of base salary)
€ 249,600			

The Supervisory Board applies an element of judgement in the assessment of alignment between calculated payout and overall business performance. For 2019, the Supervisory Board deemed the payout fair and reflective of the overall company performance given that our Location Technology business showed significant year on year revenue growth and our Consumer business performed much better than expected, resulting in a free cash flow of continuing operations of €66 million.

Long-term incentive

In 2019 TomTom replaced its long-term incentive plan based on stock options with restricted stock units (RSUs). One reason for this change is that stock options are considerably less prevalent in recent benchmark assessments. As our long-term incentive aims at creating long-term value and the retention of Management Board members, introducing RSUs supports those aims by promoting share-ownership and alignment with long-term value creation and shareholder interest. Internal consistency is maintained as the long-term incentive plan for the senior leadership has also shifted from stock options to RSUs in 2019.

RSUs are a simple and transparent instrument. Outcomes of the grant are predictable, both for the recipients and for shareholders, as downward risk and upward potential are balanced. The predictability makes RSUs a superior retention instrument that is attractive to top managers. Further, RSUs are supported by an extended two-year holding period following a three-year vesting period, conditional to continued employment. As with the previously used stock options, vesting is not dependent on performance conditions. This does not comply with best practice provision 3.1.2 v) of the Code. As explained in the Corporate Governance report, the reason for this deviation is that it has proven difficult to set long-term performance targets in our rapidly evolving, dynamic market environment. The Supervisory Board has the discretion to not award RSUs in case of exceptional market or business circumstances.

The RSU grant target value is 140% of base salary for the CEO and 100% for the other Management Board members.

Share ownership requirements have been set to encourage further shareholding for all Management Board members, expecting the CEO to hold a participation in the company of at least three times base salary, with other Management Board members expected to build up and hold a participation of at least two times base salary. [Refer to note 8 for further information on the stock compensation plans.](#)

Long-term incentives in 2019

The annual grants are set as a percentage of the fixed salary of the Management Board members. The following overview shows the number of RSUs granted to each of the members of the Management Board in 2019.

Board member	% of gross annual salary	Share price at grant date (€)	Granted in 2019	Outstanding at 31 December 2019	Vesting date	End of holding period	Market value at 31 December 2019 (€) ¹
Harold Goddijn	140%	7.89	87,630	87,630	3/5/2022	3/5/2024	825.475
Alain De Taeve	100%	7.89	52,160	52,160	3/5/2022	3/5/2024	491.347
Taco Titulaer	100%	7.89	51,480	51,480	3/5/2022	3/5/2024	484.942
Total			191,270	191,270			

1. Market value is based on the number of instruments outstanding and at a closing share price of €9.42 at 31 December 2019. It is assumed that outstanding RSUs will vest.

REMUNERATION REPORT CONTINUED

The following tables summarize the information about outstanding options of each member of the Management Board, as well as the movements during the year.

Options

Board member	Year of grant	Outstanding at 1 January 2019	Exercised in 2019	Outstanding at 31 December 2019 ¹	Exercise price (€)	Expiry date	Market value at 31 December 2019 (€) ²
Harold Goddijn	2012	113,750	-113,750		3.51	10/5/2019	
	2013	155,000		155,000	3.53	8/5/2020	912,950
	2014	300,000		300,000	5.28	13/5/2021	1,242,000
	2015	210,000		210,000	7.83	7/5/2022	333,900
	2016	112,500		112,500	7.58	10/5/2023	207,000
	2017	165,000		165,000	9.57	10/5/2024	
	2018	201,500		201,500	8.13	2/5/2025	259,935
Alain De Taeye	2012	113,750	-113,750		3.51	10/5/2019	
	2013	155,000		155,000	3.36	8/5/2020	939,300
	2014	150,000		150,000	4.93	13/5/2021	673,500
	2015	110,000		110,000	7.83	7/5/2022	174,900
	2016	56,500		56,500	7.58	10/5/2023	103,960
	2017	100,000		100,000	9.57	10/5/2024	
	2018	120,000		120,000	8.13	2/5/2025	154,800
Taco Titulaer	2013	50,000		50,000	3.53	8/5/2020	294,500
	2014	34,600		34,600	5.28	13/5/2021	143,244
	2015	39,200		39,200	7.83	7/5/2022	62,328
	2016	48,500		48,500	7.58	10/5/2023	89,240
	2017	85,000		85,000	9.57	10/5/2024	
	2018	102,800		102,800	8.13	2/5/2025	132,612
Total		2,423,100	-227,500	2,195,600			

1. The 2019 and 2018 options will vest three years after the grant date, conditional to the Management Board member still being in service. All options relating to prior periods to 2019 have vested.

2. The market value is calculated assuming that all options that are in-the-money are exercised, based on a share price of €9.42 at 31 December 2019, less the strike price to be paid. The 2019 share options are out-of-the-money at 31 December 2019.

Pension benefits

Pension contributions are an element of the overall total remuneration of Management Board members, and vary by individual. Pension contribution is capped at 20% of gross annual base salary and members may elect to waive their rights for personal reasons. Pension can be received as a gross pension allowance or through contribution to the company's plan. The company's pension plan is a Defined Contribution plan with age defined contribution percentages and a salary cap at €107,593 in 2019. Employee contribution is 6.1% of pension base. The scheme below provides an overview of the pension contributions provided by TomTom to each member of the Management Board in 2019.

Board member Pension contribution 2019

Harold Goddijn	Opted to waive his rights to participate in the company pension plan as well as his rights to receive a gross pension allowance instead.
Alain De Taeye	€79,028 paid as a gross pension allowance.
Taco Titulaer	€78,000 (consisting of €7,240 into the company pension plan and €70,760 as gross pension allowance).

Other benefits

In addition to pension benefits, the Management Board members receive remuneration for items such as medical insurance, death and disability insurance, and car allowances. They also benefit from directors' and officers' liability insurance coverage. These benefits are in line with market practice. The company does not provide loans, advanced payments or guarantees to members of the Management Board.

REMUNERATION REPORT CONTINUED

Overview of salaries, performance-related bonuses and other emoluments of the Management Board

The direct remuneration and other remuneration-related expenses are presented below:

Short-term benefits							Other short-term expenses	Total including other and direct remuneration
(€)	Salary	Bonus	Other emoluments ¹	Post-employment benefits	Total direct remuneration	Stock compensation ²		
2019								
Harold Goddijn	474,166	459,372			933,538	617,861	10,005	1,561,404
Alain De Taeye	395,138	306,248	25,320	79,028	805,734	366,390	10,005	1,182,129
Taco Titulaer	390,000	302,266	70,760	7,240	770,266	324,890	10,005	1,105,161
Total	1,259,304	1,067,886	96,080	86,268	2,509,538	1,309,141	30,015	3,848,694
2018								
Harold Goddijn	474,166	568,999			1,043,165	535,887	9,770	1,588,822
Alain De Taeye	395,138	379,333	25,320	79,028	878,819	305,888	9,770	1,194,477
Taco Titulaer	338,580	325,037	60,645	7,071	731,333	243,248	9,770	984,351
Total	1,207,884	1,273,369	85,965	86,099	2,653,317	1,085,023	29,310	3,767,650

1. The other emoluments for Taco Titulaer relate to a gross allowance that can be spent on private pension savings as the pension contribution is capped up to a pensionable salary of €107,593. The remaining other emoluments relates to company car and other costs.
2. The expenses recognizes for stock compensation awards are determined in accordance with IFRS 2 and do not represent the amounts paid or payable to Management Board members. Refer to note 8 of the consolidated financial statements for further information on the stock compensation plans.
3. Remuneration of the Management Board is directly paid by TomTom N.V. and not allocated to any of its subsidiaries.

OTHER INFORMATION

Pay ratio

The Corporate Governance Code requires reporting on pay ratio. TomTom's pay ratio reflects the average total compensation of the total global employee workforce, relative to the total remuneration package of the CEO. This has resulted in the following outcome:

Fiscal year	CEO total remuneration ¹	Average total compensation (All global employees) ^{2,3}	Resulting pay ratio
2019	€1,551,399	€57,281	27.1
2018	€1,579,052	€54,621	28.9
2017	€1,388,686	€55,648	25.0
2016	€1,001,065	€51,882	19.3

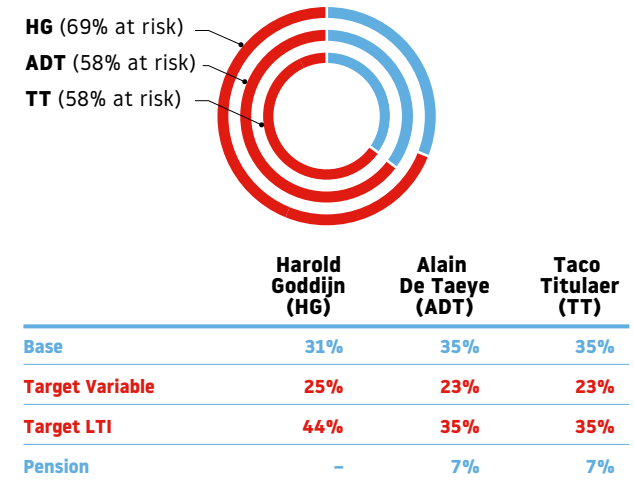
1. Excluding social security costs.
2. All global employees.
3. Total personnel expenses (note 7 – consolidated financial statements) excluding social security costs, Management Board total remuneration and capitalized employee expenses.

The pay ratio decreased for 2019 as a result of the investment made in employee salaries in key markets and the decrease in bonus payout for Management Board members for 2019. The Supervisory Board deems the pay ratio for TomTom of 27.1 to be at a comfortable level.

Annually, we also review the livable wage and local competitive dynamics in each of TomTom's operating locations. If needed, adjustments are made to ensure employees compensation are above those levels as part of TomTom's efforts to be a good employer. This contributes positively to our pay ratio.

Target Compensation Mix

The Remuneration Committee believes that the target compensation mix of Management Board members aligns with the long-term interests of shareholders. The charts below illustrate the target pay that is at risk for the respective Management Board member represented as percentage of the total potential compensation package designed to reward based on company performance.



Remuneration and company performance development

The following table illustrates the five-year development of Management Board remuneration and company performance. For this purpose, the Remuneration Committee has decided

REMUNERATION REPORT CONTINUED

to take the metrics of Location Technology Revenue development and free cash flow generation over the last five years as an appropriate measurement of the company's performance.

(€ in thousands, unless otherwise indicated)

Management Board remuneration	2015	2016	2017	2018	2019³
Harold Goddijn	1,049	1,001	1,389	1,579	1,551
Alain De Taeye	853	771	1,036	1,183	1,172
Taco Titulaer ¹	214	502	786	975	1,095
Total management board remuneration	2,116	2,274	3,211	3,736	3,819

Remuneration per FTE

Management Board ²	684	758	1,070	1,245	1,273
Global employees	58	52	56	55	57

Key performance measure (€ in millions, unless stated otherwise)

Location Technology Revenue	248.0	269.0	333.2	372.3	426.0
Free cash flow (total operations, excluding acquisitions)	11.0	26.7	68.2	144.8	69.6
Share price (€)	11.61	7.37	9.78	7.90	9.42

1. Taco Titulaer was appointed CFO in 2015.

2. The salary of Taco Titulaer has been annualized for comparative purposes.

3. Including results of Telematics for Q1 2019. Excluding results from the sale of Telematics.

The company performance showed an overall positive trend in the last five years as reflected by Location Technology revenue and FCF generation. The total remuneration of the Management Board developed in line with this. The remuneration per employee remained relatively stable as the change in the mix of our workforce offset the increase in remuneration for individual employees.

Scenario analysis

A scenario analysis of the possible outcomes of the variable components and the impact on the Management Board members' remuneration is conducted annually to minimize the risk that the performance criteria lead to inappropriate outcomes. The effect of different performance scenarios on the level and composition of remuneration has been analyzed and the outcome has been taken into consideration by the Supervisory Board when reviewing the Management Board members' remuneration. These scenarios include minimum (0%), target (100%) and maximum (150%) variable pay achievement and share price decrease of 20%, no change to the TomTom share price, and a share price increase of 20%. Under all scenarios (minimum, target, and maximum performance levels), the Supervisory Board has assessed that the range of potential remuneration is within outcomes that are appropriate for that level of performance.

Management Board members' views

Each individual Management Board member shares his view of his own remuneration package with the Chairman of the Remuneration Committee at least once per year. The feedback is shared with the other Remuneration Committee members, who together consider all feedback when discussing and evaluating the Remuneration Policy, including its components and outlook.

Exceptional individual performance

The Supervisory Board did not choose to use its discretion in 2019 to provide an additional variable pay for each member of the Management Board for exceptional individual performance.

Share ownership

TomTom introduced share ownership guidelines for its Management Board members in 2019. Share ownership requirements have been set to encourage further shareholding for all Management Board members, expecting the CEO to hold a participation in the company of at least three times base salary, with other Management Board members expected to build up and hold a participation of at least two times base salary.

Board member	Share Ownership Guidelines¹	Current shares	Value of shares²
Harold Goddijn	3x	14,868,609	295x
Alain De Taeye	2x	156,737	4x
Taco Titulaer	2x	–	–

1. As a multiple of base salary.

2. Based on share price at 31 December 2019.

REMUNERATION REPORT CONTINUED

OTHER POLICY INFORMATION AND CONTRACT TERMS**Revision and claw back of variable pay**

The claw back provision as reflected in the Remuneration Policy is in accordance with Dutch law and forms an integral part of Management Board members' employment. The Supervisory Board can revise (downwards or upwards) the amount of the variable pay to an appropriate amount if payment of the bonus would be unacceptable according to standards of reasonableness and fairness.

In addition, the Supervisory Board is entitled, at its discretion, to recover on behalf of the company any variable pay awarded on the basis of incorrect financial data or other data underlying the bonus or about the circumstances that the bonus was made subject to.

This right of recovery exists irrespective of whether the Management Board member has been responsible for the incorrect financial data or other data, or was aware or should have been aware of this incorrectness.

No variable Remuneration has been clawed-back in 2019.

Deviation from Remuneration Policy

The Remuneration Committee did not deviate from its decision-making process in relation to the implementation of the Remuneration Policy. It also did not deviate from the Remuneration Policy itself, except for the base salary of the CEO which remains under the median market level.

Change of control

In case of a change of control, the Supervisory Board may determine that any long-term incentives, granted to a Management Board member, shall be (deemed to be) vested, and exercisable if applicable, immediately prior to and conditional upon such change of control, or during such period after the change of control as the Supervisory Board may specify. Failing exercise in such change of control event, previously granted stock options will lapse.

Term of appointment

All Management Board members' term of appointment is four years, while the term of employment is indefinite. Management Board members may be re-appointed for another term of four years.

Notice period

All members of the Management Board have a notice period of six months. For the company, the notice period is 12 months for termination without cause under the applicable employment agreements with the respective Management Board members.

Severance compensation

In the event that a Management Board member's employment is terminated by, or on the initiative of, the company, the Management Board member is entitled to a severance payment limited to 50% of one year's base salary, unless a higher statutory severance compensation applies.

These terms will not apply if the Management Board member's employment is terminated for any reason as set out in articles 7:677 (1) and 7:678 of the DCC. In such situations, the Management Board member will not be entitled to any severance compensation. A member of the Management Board will not be entitled to severance compensation if employment is terminated by himself, or on his own initiative.

NEW LEGISLATION – SHAREHOLDER RIGHTS DIRECTIVE II

This Remuneration Report assumes to reflect the reporting requirements as provided by article 2:135b of the Dutch Civil Code (DCC), effective on 1 December 2019 and implementing the EU Shareholder Rights Directive II (SRD II), effective as of April 3, 2017. One of the key objectives of the SRD II is to instill greater transparency for company stakeholders. Transparency has always been important at TomTom; initiatives like the SRD II and its implementation into Dutch law are welcome.

The Supervisory Board will propose amendments to the Remuneration Policy at the 2020 AGM to align the policy with article 2:135a DCC.

Governance

The Remuneration Committee prepares the Supervisory Board's decisions regarding the remuneration of individual Management Board members, within the scope of the applicable Remuneration Policy.

In accordance with article 2:135a sub 2 DCC, the Supervisory Board proposes for adoption once every four-year period, the first time at the 2020 AGM, 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.

The Remuneration Report describes the process which has been followed by the Remuneration Committee in relation to the implementation of the Remuneration Policy over the given financial year, and, if applicable, any proposed revision of the Remuneration Policy. Every year, the implementation of the Remuneration Policy, through the Remuneration Report, is put forward for an advisory vote to the AGM (in line with article 2:135b sub 2 DCC), the first time at the 2020 AGM.

Alignment with long-term value creation

The remuneration of Management Board members is intended to encourage behaviors that focus on generating short-term results generation to ensure ongoing progress and financial stability, and long-term value creation by pursuing growth opportunities through TomTom's location-based technologies and innovative services. The introduction of RSUs in 2019 further promotes share ownership and alignment with our long-term value creation and shareholder interests.

REMUNERATION REPORT CONTINUED

Engagement with stakeholders

Both the Management Board and the Supervisory Board have a transparent relationship with the Dutch Works Council. Members of the works council have the opportunity to raise and discuss matters, including the Remuneration Policy and application hereof or any other matter that requires attention, both within and outside the regular meeting schedule (bi-annually with the Supervisory Board and quarterly with management).

In preparation of the 2019 AGM, the Remuneration Committee members had engaged with several shareholders and Eumedion to explain the proposal's rationale and pro-actively address any questions prior to the meeting. The proposal to introduce RSUs was adopted by the 2019 annual General Meeting of Shareholders with 82% votes cast in favor.

Our engagement with stakeholders before the 2019 AGM had been experienced as positive by all parties.

The Remuneration Committee considered the voting outcome and decided to continue constructive dialogues with representatives of shareholders (VEB, Eumedion) and proxy advisors (ISS, Glass Lewis) prior to the convocation of the agenda of the 2020 AGM. Recommendations in relation to the Remuneration Policy and the Remuneration Report included, among others, i) disclosure of market value of not yet vested RSUs (Eumedion), and ii) disclosure of STIP targets (ex-post) (Eumedion, VEB), and iii) greater transparency on decision-making process and considerations of the Remuneration Committee (VEB, Eumedion, ISS).

Concerns were raised, among others, in relation to iv) TomTom's peer group composition where Eumedion feels that there are too many US companies included, and v) the provision allowing the Supervisory Board to grant each Management Board member an additional variable pay for exceptional individual performance.

TomTom has implemented recommendations regarding items i) and iii). Regarding item ii), TomTom will meet the requirements for greater disclosure on STI targets in 2021, whenever required by the SRD II. Regarding iv) TomTom considers that the competitive environment within which TomTom operates justifies the inclusion of relevant US companies which can be the source for TomTom talent (or attract it). However, the Remuneration Committee has decided to perform the next benchmark in 2020 versus 2021, and the peer group will be reviewed, bearing in mind concerns raised.

The provision referred to under v) will be removed from the Remuneration Policy which will be submitted to the 2020 General Meeting, since the Supervisory Board's discretion is already covered by article 2:135 sub 6 of the DCC.

The Remuneration Committee will follow the implementation of the Guidelines on the standardized presentation of the remuneration report, as regards the encouragement of long-term shareholder engagement, issued by the European Commission.

Public perception

Management Board remuneration at TomTom specifically is not deemed to be a topic that is debated. It has not been raised as a concern by (potential) institutional investors. When remuneration has been discussed, it has been from the perspective of being modest compared to other organizations in the global tech industry.

The Remuneration Committee is committed to continuously improving the transparency regarding Management Board remuneration. TomTom believes that this enables greater understanding and discussion with our stakeholders on a topic which is currently highly debated in society.

SUPERVISORY BOARD REMUNERATION POLICY

This section provides an overview of the Remuneration Policy for TomTom's Supervisory Board, last amended in 2019. A Supervisory Board remuneration Policy will be proposed for approval at the 2020 Annual General Meeting, in accordance with the implementation of SRD II into Dutch law as of 1 December 2019.

Role	Chairman	Member
Supervisory Board	€50,000	€40,000
Audit Committee	€10,000	€7,000
Remuneration Committee	€7,000	€4,000
Selection and Appointment Committee	€7,000	€4,000
Intercontinental travel allowance*		€3,000

* Per regular physical Supervisory Board meeting in the Netherlands. Only Mike Rhodin is currently eligible.

Overview of remuneration of the members of the Supervisory Board¹

(€)	2019	2018
Derk Haank ²	56,000	13,000
Jacqueline Tammenoms Bakker	51,000	51,000
Bernd Leukert	47,000	47,000
Jack de Kreij	50,000	50,000
Michael Rhodin	62,000	47,649
Peter Wakkie ²	27,000	61,450
Total	293,000	270,099

1. The remuneration has not changed over the last five years, except for intercontinental travel allowance which was approved at the 2019 AGM.
2. Derk Haank was appointed as a member of the Supervisory Board for a term of 4 years on 26 September 2018 and was appointed as the Chairman of the Supervisory Board following the resignation of Peter Wakkie at the Annual General Meeting on 17 April 2019.

OUTLOOK 2020

The Management Board members' salaries were assessed against the market environment and the adjustments for other employees. For 2020, the salaries will be adjusted by 4.12% in line with salary market movement for employees in the Netherlands, since the last increase for Management Board base salaries in 2018.

For the 2020 short-term incentive scheme, changes will be made, by replacing the profitability metric EBITDA minus Investment with a Free Cash Flow metric to ensure better alignment of the Management Board remuneration with TomTom's guidance to the financial market and aimed at greater simplicity and transparency.

No changes are anticipated for the 2020 long-term incentive scheme.

The remuneration of the Management Board will be benchmarked in 2020 which will include a peer group review.

The Supervisory Board will propose amendments to the Remuneration Policy at the 2020 AGM to align it with article 2:135a DCC.