

We strive to enhance the **transparency** of our remuneration

This report provides an overview of the Remuneration Policy for TomTom's Management Board and Supervisory Board. The Remuneration Policies have been adopted by the General Meeting in 2020.

The Remuneration Policy at TomTom is designed to attract and retain talent, and to provide fair, competitive and responsible remuneration for all employees, including the Management Board members, in a simple and transparent manner. The policy supports our strategy, operational and financial results, and the delivery of long-term value creation to all stakeholders. The policy provides a company-wide framework for results-driven remuneration, linked to the achievement of strategic objectives.

Our Remuneration Policy shapes the nature and positioning of remuneration for Management Board members and senior management within TomTom and reflects the following principles:

- > alignment with, and underpinning behavior towards, the achievement of TomTom's vision and strategy and the creation of long-term value;
- > alignment of pay structures throughout TomTom;
- > remuneration is competitive with companies with whom we compete for talent;
- > consideration of stakeholders' perspectives and the level of support in society; and
- > aspiration to live up to the highest standards of good corporate governance and enhanced transparency.

> REMUNERATION OF THE MANAGEMENT BOARD

The Supervisory Board ensures that the policy and its implementation are linked to the company's strategic priorities and decides how to reward the successful delivery of the company's strategy by the Management Board.

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.

The Remuneration Policy of the Management Board is summarized below:

	Policy 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
Pension benefits	<ul style="list-style-type: none"> > Maximum contribution: 20% of gross annual base salary > Opportunity to opt out of the pension provisions
Short-term incentive	<ul style="list-style-type: none"> > At-target variable pay CEO: 80% of base salary > At-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
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 other Management Board members: 100% of base salary > Actual grant levels do not deviate from target unless underpin conditions are not met

REMUNERATION REPORT CONTINUED

INTERNAL ALIGNMENT

The Remuneration Committee reviews the alignment of pay structures throughout the organization by considering the consistency in the approach to setting remuneration components, performing a scenario analysis and evaluating the pay ratio.

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 member, who together consider all feedback when discussing and evaluating the Remuneration Policy, including its components and outlook.

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 leads to inappropriate outcomes.

Pay ratio

The pay ratio reflects the average total compensation of the total global employee workforce, relative to the total remuneration package of the CEO and the total Management Board. Social security is excluded from the measure of compensation.

APPLICATION AND OUTCOME

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.

This calculation of the pay ratio has resulted in the following outcome:

Pay ratio ¹	2016	2017	2018	2019	2020
CEO	19.3	25.0	28.9	27.1	20.1
Management Board	14.6	19.2	22.8	22.2	17.0

1 Excluding the cost of social security.

The decrease of the pay ratio in 2019 continued to further decline in 2020 as a result of the investments made in employee salaries in the company's key markets as well as the zero bonus payout for Management Board members.

The Supervisory Board deems the pay ratio for TomTom of 20.1 to be at the low end and at an acceptable level. This is justified by the company's global presence, including in countries with lower labor costs, and by the company performance in 2020.

Annually, we 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.

REMUNERATION REPORT CONTINUED

EXTERNAL ALIGNMENT

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 is given to the international markets in which we compete for that talent.

Peer group and benchmark

In principle, the remuneration is benchmarked with a peer group every three years and reviewed annually. This helps to determine the overall competitiveness of our Management Board remuneration and gives appropriate insights into relevant competitive markets. 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.

Potential TomTom hires

TomTom is witnessing a market trend where LTI becomes a more and more significant part of senior management remuneration packages. It has been observed in benchmarks delivered by external consulting companies, and in expectations expressed by candidates for TomTom leadership and key positions. As a consequence of these market changes and in order to be able to attract and retain the talent we need to realize our strategic objectives, TomTom has planned to substantially increase its RSU allocation for the levels below the Management Board. This will reduce the gap in salary levels between the Management Board and senior leadership.

APPLICATION AND OUTCOME

The Remuneration Committee performed a review of the peer group in 2020, supported by Focus Orange, an external advisor. The Remuneration Committee sought to balance the fact that many direct competitors and sources of talent are based in the US with more moderate compensation levels in Europe and the Netherlands.

The review resulted in a list of 17 reference group companies of similar size and a high business relevance and/or deploying software/technology-driven activities, reflecting a geographical spread of Europe (including the Netherlands) and the US, with TomTom positioning around the median. The new peer group excludes several business-relevant labor market competitors, in order to accommodate balance and size comparability. This new peer group composition reflects both the company's ambition for the future and the situation it is currently in.

A remuneration benchmark analysis was performed based on this new peer group. The 2020 benchmark showed that Management Board total remuneration levels are below the median of the reference group, with the difference largely stemming from relatively low long-term incentives. Additionally, in the case of the CEO, the base salary remains under the median market level.

The Remuneration Policy aims to reward at third quartile levels and the Remuneration Committee noted the discrepancy with the benchmark outcome. Given the current market and business context, the Remuneration Committee decided not to propose any adjustments to the Supervisory Board as a result of the performed benchmark.

Company	Country	Business activity
Adesso SE	DE	SaaS solutions
Adyen NV	NL	SaaS solutions
Alteryx Inc	US	SaaS solutions — Data analytics
AVEVA Group PLC	UK	SaaS solutions — General Enterprise
First Derivatives PLC	UK	SaaS solutions — Data volume and streaming
HERE International BV	NL	Location technology
Igenico Group SA	FR	SaaS solutions — Financial
Just Eat Takeaway.com NV	NL	Online retail
Kudelski SA	CH	SaaS solutions — Media
Pitney Bowes Inc	US	General technology
SDL PLC	UK	SaaS solutions — Language
Simcorp A/S	DK	SaaS solutions — Financial
Telenav Inc	US	Location Technology
Tripadvisor Inc	US	Software Platform — Travel
Trivago NV	DE	Software Platform — Travel
Workday Inc	US	SaaS solutions — Enterprise cloud applications
Zalando SE	DE	Online retail

REMUNERATION REPORT CONTINUED

OVERVIEW OF REMUNERATION

Below follows a detailed overview of the Management Board Remuneration Policy, its application in 2020 and the outcome of variable pay targets. The table below is an overview of the actual remuneration of the Management Board in 2020:

	Year	FIXED			VARIABLE		Total remuneration ³	Ratio of fixed to variable remuneration	
		Base salary	Fringe benefits	Pension	Other items ¹	Short-term incentive			Long-term incentive ²
Harold Goddijn	2020	493,701	—	—	10,004	—	657,757	1,161,462	43% 57%
	2019	474,166	—	—	10,005	459,372	617,861	1,561,404	31% 69%
Taco Titulaer	2020	406,068	—	81,214	10,004	—	364,451	861,737	58% 42%
	2019	390,000	—	78,000	10,005	302,266	324,890	1,105,161	43% 57%
Alain De Taeye	2020	411,418	21,000	82,284	10,004	—	392,402	917,108	57% 43%
	2019	395,138	25,320	79,028	10,005	306,248	366,390	1,182,129	43% 57%

1 Other items includes social security.

2 Expenses recognized for stock compensation awards are determined in accordance with IFRS 2 and do not represent the amounts paid or payable to Management Board members. For additional information about the stock compensation plans, including employee plans, refer to note 9 Stock compensation in the consolidated financial statements.

3 Remuneration of the Management Board is directly paid by TomTom NV and not allocated to any of its subsidiaries.

Base salary

The Supervisory Board, upon the recommendation of the Remuneration Committee, determines the base salary for each of the members of the Management Board. Benchmark data from peer group companies is used as a guide to the competitiveness of the base salary. The internal relativity to total remuneration levels within the company is also considered to ensure alignment throughout the organization.

Unless otherwise determined by the Supervisory Board, base salary levels are increased annually in line with the expected average annual increase in the fixed salary of the employees of the company based in the Netherlands.

Fringe 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.

Pension

The company's pension plan is a Defined Contribution plan with age defined contribution percentages and a salary cap at €110,111 in 2020. Employee contribution is fixed at 6.1% of pensionable salary.

Pension can be received through contributions to the company's plan, as a gross pension allowance, or a combination thereof. Members may elect to waive their pension rights.

Pension contributions for the Management Board are capped at 20% of gross annual base salary.

APPLICATION AND OUTCOME

For 2020, the Management Board members' salaries were assessed against the adjustments for other employees and were adjusted by 4.12% in line with the 2-year market movement for employees in the Netherlands.

Harold Goddijn opted to waive his pension rights. Taco Titulaer's pension is received as a combination gross pension allowance and contributions to the company pension plan. Alain de Taeye receives a gross pension allowance. Refer to the overview of actual remuneration for pension amounts paid in 2020.

REMUNERATION REPORT CONTINUED

Short-term incentive

Management Board members participate in the short-term, annual incentive plan which is aligned with incentive schemes throughout the company. The annual incentive has an at-target payout level of 80% of base salary for the CEO and 64% of base salary for other members of the Management Board.

On an annual basis at the beginning of the year the Supervisory Board determines the performance criteria (financial and/or other quantitative/ qualitative criteria) for the Management Board based on the company's strategic agenda and sets challenging yet realistic target levels for each performance criteria.

The performance criteria provide the framework for employee incentive schemes which are cascaded down by the Management Board to the rest of the organization aligning the bonus structure throughout the company.

According to our policy, financial criteria may include, but are not limited to, one or more of the following: (operational) revenue; (adjusted) EBITDA; EBITDA minus CAPEX; and free cash flow.

Once targets are set, they do not change during the year. Performance is reviewed each quarter and the final assessment against the targets takes place at the end of the year, based on the audited financial results, with any potential payout occurring during the first quarter of the next financial year. A minimum level of performance must be achieved before any payment under the plan will be made and payout is capped at an outstanding level of performance, known as the maximum.

The assessment of performance is done based on an evaluation of the past financial year prepared by the Management Board. The Remuneration Committee investigates, deliberates and determines the annual incentive of each Management Board member. The Supervisory Board assesses whether the outcome of the calculated payout is justified by the overall business performance and considers its fairness in light of provision 2:135 sub 6 of DCC. 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.

APPLICATION AND OUTCOME

The performance criteria for the 2020 short-term incentive plan have been aligned with the financial guidance given to the financial markets. Each Management Board member's performance is assessed against these criteria. The targets reflect the balance between targeted growth in key areas (Location Technology revenue) and overall profitability (free cash flow).

The revenue metric is specific to Location Technology and excludes revenue from Consumer aligning with the strategic direction of the company. Location Technology revenue directly reflects progress in meeting growth and value creation objectives.

At a profitability level, the free cash flow of the group is considered. As such, Consumer segment is included in the performance profitability target.

During 2020, the COVID-19 pandemic led to widespread automotive factory closures, closure of physical retail locations and restricted movement of consumers. These events negatively affected the revenue of Location Technology (specifically Automotive revenue) and free cash flow (specifically Automotive and Consumer). As a result, the targets set at the beginning of the year, were not met and the measured performance outcome is 0%. The Supervisory Board did not adjust the calculated payout based on the performed fairness test.

In 2020 the performance targets, levels and relative weighting were set as follows:

Performance metric	Weighting	Target 2020	Minimum performance	Maximum performance
Location Technology revenue	50%	€464 million	0%	150%
Free cash flow (as a % of revenue)	50%	€50 million	0%	150%

The following table summarizes the performance of the Management Board and the corresponding short-term incentive award based on minimum, maximum and actual performance:

	Base salary	Target % of base salary	AT TARGET PERFORMANCE		MAXIMUM PERFORMANCE		ACTUAL PERFORMANCE OUTCOME ¹		Actual award 2020 ¹
			Performance outcome	Corresponding award	Performance outcome	Corresponding award	Location Technology revenue	Free cash flow	
Harold Goddijn	493,701	80%	100%	394,961	150%	592,441	Target not met	Target not met	—
Taco Titulaer	406,068	64%	100%	259,884	150%	389,825	Target not met	Target not met	—
Alain De Taeye	411,418	64%	100%	263,308	150%	394,961	Target not met	Target not met	—

1 Location Technology revenue was €392 million and free cash flow was an outflow of €26 million. This achievement is below the minimum target level resulting in an actual performance outcome of zero.

REMUNERATION REPORT CONTINUED

Long-term incentive

TomTom's long-term incentive plan is based on restricted stock units (RSUs) which were introduced in 2019. RSUs are a simple and transparent instrument with relatively predictable grant outcomes for both recipients and shareholders. This predictability makes RSUs a superior retention instrument attractive to top managers reflecting the competitive environment for technology talent. Internal consistency is facilitated as RSUs are the prevalent long-term incentive plan instrument for senior leadership within TomTom.

RSUs build alignment with shareholders. The three-year vesting period, conditional on continued employment, is supported by an extended two-year holding period. Vesting is not dependent on performance conditions; this does not comply with best practice provision 3.1.2 v) of the Code. The reason for this deviation is that it has proven difficult to set long-term performance targets in our rapidly evolving, market environment. The Supervisory Board has the discretion to not award RSUs in case of exceptional market or business circumstances (performance underpin). At the time of allocation,

the Remuneration Committee and Supervisory Board assess whether there are circumstances that would justify adjusting the RSU grant. In addition to the overall financial performance of the company, non-financial aspects are taken into consideration for example whether there have been any major risk management failures, reputational issues or compliance issues. Additionally, the external context and overall shareholder experience are considered.

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 by all Management Board members. The mandatory holding period of RSUs together with the share ownership requirements align Management Board remuneration with shareholder interests.

The main conditions for the long-term incentive plans, and details of movements in grants to the Management Board, are detailed in the tables that follow. Refer to note 9 of the consolidated financial statements for further information about the stock compensation plans, including employee plans.

Details of the restricted stock units of the Management Board:

	MAIN CONDITIONS OF THE RSU PLANS				INFORMATION REGARDING THE REPORTED FINANCIAL YEAR				Market value of award at year-end (€) ²	
	Plan	Grant date	Vesting date	End of holding period ¹	Opening	Movement during the year		Closing		
					At beginning of the year	Awarded	Vested	Outstanding at end of the year		Subject to a holding period ¹
Harold Goddijn	RSU 2019	3-May-19	3-May-22	3-May-24	87,630	—	—	87,630	—	—
	RSU 2020	29-Apr-20	29-Apr-23	29-Apr-25	—	83,620	—	83,620	—	—
Taco Titulaer	RSU 2019	3-May-19	3-May-22	3-May-24	51,480	—	—	51,480	—	—
	RSU 2020	29-Apr-20	29-Apr-23	29-Apr-25	—	49,130	—	49,130	—	—
Alain De Taeye	RSU 2019	3-May-19	3-May-22	3-May-24	52,160	—	—	52,160	—	—
	RSU 2020	29-Apr-20	29-Apr-23	29-Apr-25	—	49,770	—	49,770	—	—
					191,270	182,520	—	373,790	—	

1 Once vested, RSUs are subject to a two-year holding period.

2 The market value of an award at year-end is calculated using the closing share price on 31 December 2020 of €8.44 multiplied by the number of vested outstanding units.

APPLICATION AND OUTCOME

The annual grants are set as a percentage of the fixed salary of the Management Board and the following table provides an overview of the RSU allocation in 2020:

(€)	Base salary		Target % of gross annual salary		Value at grant date ¹		Number of RSU granted
Harold Goddijn	493,701	X	140%	/	8.27	=	83,620
Taco Titulaer	406,068	X	100%	/	8.27	=	49,130
Alain De Taeye	411,418	X	100%	/	8.27	=	49,770

1 The number of RSUs granted is determined on the basis of the average of the closing prices of TomTom NV shares in the 60 days preceding the grant date.

When considering the RSU allocation in April 2020, the Supervisory Board carefully considered the impact of COVID-19 pandemic on the performance of the company and the implications for the remuneration of the Management Board members.

Specifically, with reference to the performance underpin conditions of exceptional market or business circumstances, the Remuneration Committee examined in detail whether the market conditions were such that the award should be adjusted. The Remuneration Committee also considered whether the reduction in share price around grant date justified reducing the level of the award.

Although COVID-19 is clearly an exceptional event, the Supervisory Board decided that the impact on TomTom's business — both as of April 2020 and looking forward — did not provide clear reasons to withhold or reduce the 2020 RSU grant. TomTom has a strong debt-free balance sheet, and the resilience to maintain its course including investments in value-creating R&D, despite the current uncertain environment. TomTom did not make use of financial public support. The Remuneration Committee looked carefully at the timing of the RSU grant. The number of RSUs granted is determined on the basis of the average of the closing prices of TomTom NV shares in the 60 days preceding the grant date. The Remuneration Committee concluded that there was no reason to deviate from the standard calculation.

REMUNERATION REPORT CONTINUED

Details of the stock options of the Management Board:

	MAIN PLAN CONDITIONS					INFORMATION REGARDING THE REPORTED FINANCIAL YEAR						Market value of award at year-end ² (€)
	Plan	Grant date ¹	Vesting date	Expiry date	Exercise price (€)	Opening	Movement during the year			Closing		
						At beginning of the year	Awarded	Vested	Exercised	Outstanding at end of the year	Outstanding and vested	
Harold Goddijn	Option 2013	8-May-13	8-May-16	8-May-20	3.53	155,000	—	—	155,000	—	—	—
	Option 2014	13-May-14	13-May-17	13-May-21	5.28	300,000	—	—	—	300,000	300,000	948,000
	Option 2015	7-May-15	7-May-18	7-May-22	7.83	210,000	—	—	—	210,000	210,000	128,100
	Option 2016	10-May-16	10-May-19	10-May-23	7.58	112,500	—	—	—	112,500	112,500	96,750
	Option 2017	10-May-17	10-May-20	10-May-24	9.57	165,000	—	165,000	—	165,000	165,000	—
	Option 2018	2-May-18	2-May-21	2-May-25	8.13	201,500	—	—	—	201,500	—	—
Taco Titulaer	Option 2013	8-May-13	8-May-16	8-May-20	3.53	50,000	—	—	50,000	—	—	—
	Option 2014	13-May-14	13-May-17	13-May-21	5.28	34,600	—	—	—	34,600	34,600	109,336
	Option 2015	7-May-15	7-May-18	7-May-22	7.83	39,200	—	—	—	39,200	39,200	23,912
	Option 2016	10-May-16	10-May-19	10-May-23	7.58	48,500	—	—	—	48,500	48,500	41,710
	Option 2017	10-May-17	10-May-20	10-May-24	9.57	85,000	—	85,000	—	85,000	85,000	—
	Option 2018	2-May-18	2-May-21	2-May-25	8.13	102,800	—	—	—	102,800	—	—
Alain De Taeye	Option 2013	8-May-13	8-May-16	8-May-20	3.36	155,000	—	—	155,000	—	—	—
	Option 2014	13-May-14	13-May-17	13-May-21	4.93	150,000	—	—	—	150,000	150,000	526,500
	Option 2015	7-May-15	7-May-18	7-May-22	7.83	110,000	—	—	—	110,000	110,000	67,100
	Option 2016	10-May-16	10-May-19	10-May-23	7.58	56,500	—	—	—	56,500	56,500	48,590
	Option 2017	10-May-17	10-May-20	10-May-24	9.57	100,000	—	100,000	—	100,000	100,000	—
	Option 2018	2-May-18	2-May-21	2-May-25	8.13	120,000	—	—	—	120,000	—	—
					2,195,600	—	350,000	360,000	1,835,600	1,411,300		

1 RSUs were introduced in 2019. There has been no grant of stock options to Management Board members since 2018.

2 The market value of an award at year-end is calculated as the closing share price on 31 December 2020 of €8.44, less the strike price to be paid, multiplied by the number of vested outstanding options that are in-the-money. All options that have a strike price higher than the year-end share price are considered to be out-of-the-money at 31 December 2020 and are assumed to have no market value.

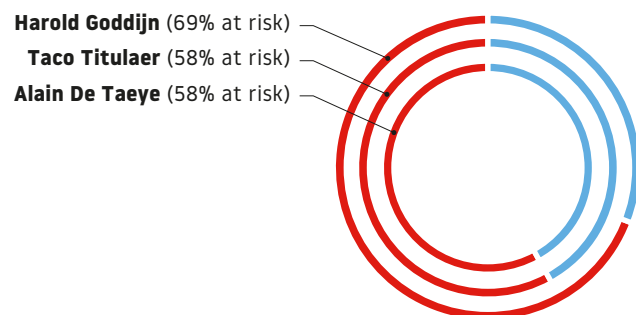
The following overview details the current share ownership guidelines for the Management Board and their current holding of ordinary shares:

Board member	Share ownership guidelines	Current shareholding (number of shares)	Current value of shares (€)	Base salary (€)	Number of times base salary
Harold Goddijn	3x base salary	15,023,609	126,799,260	493,701	257x
Taco Titulaer	2x base salary	—	—	406,068	0x
Alain De Taeye	2x base salary	311,737	2,631,060	411,418	6x

REMUNERATION REPORT CONTINUED

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 chart below illustrates 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.



Outlook

After having considered the economic market circumstances, Dutch and European governance context and internal pay relatives, no adjustments to the Remuneration Policy are proposed for implementation in 2021.

The base salary levels will be increased in line with the average annual increase in fixed salary of the employees of the company based in the Netherlands, as described in the Remuneration Policy, which is 1.86%.

No changes are anticipated for the 2021 short-term incentive scheme and/or performance criteria.

No changes are anticipated for the 2021 long-term incentive scheme.



FOR MORE INFORMATION

Management Board Remuneration
tomb.com/company/boards-and-committees/#management-board-remuneration

REMUNERATION REPORT CONTINUED

COMPARATIVE INFORMATION

For the purpose of reviewing the five-year development of Management Board remuneration and company performance, the Remuneration Committee has decided to take the metrics of Location Technology revenue, group free cash flow generation and the year-end share price as appropriate measures of company performance.

The following table shows the remuneration and company performance over the last five reported years:

	2016	2017	2018	2019	2020
Management Board remuneration¹ (€ in thousands)					
Harold Goddijn	1,001	1,389	1,579	1,551	1,151
Taco Titulaer	502	786	975	1,095	852
Alain De Taeye	771	1,036	1,183	1,172	907
Total	2,274	3,211	3,736	3,819	2,910

Average remuneration¹ per FTE (€ in thousands)

Global employees	52	56	55	57	57
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Company performance measures (€ in millions, unless stated otherwise)

Location Technology revenue	269	333	372	426	392
Free cash flow ²	27	68	145	70	-26
Share price (€)	7.37	9.78	7.90	9.42	8.44

1 Excluding the cost of social security.

2 Free cash flow includes cash flows relating to the Telematics segment up to 31 March 2019, the effective date of sale. The information is represented in the following table in a comparative form where the annual development is expressed as a percentage compared with the immediately preceding year:

as % compared to previous year	2016 v 2015	2017 v 2016	2018 v 2017	2019 v 2018	2020 v 2019
Management Board remuneration¹					
Harold Goddijn	-5%	39%	14%	-2%	-26%
Taco Titulaer ²	-2%	57%	24%	12%	-22%
Alain De Taeye	-10%	34%	14%	-1%	-23%
Total	-6%	41%	16%	2%	-24%
Average remuneration¹ per FTE					
Global employees	-10%	7%	-2%	5%	0%
Company performance measures					
Location Technology revenue	8%	24%	12%	14%	-8%
Free cash flow ³	142%	155%	112%	-52%	-138%
Share price	-37%	33%	-19%	19%	-10%

1 Excluding the cost of social security.

2 Taco Titulaer was appointed CFO in 2015. For comparative purposes his salary has been annualized in 2015 when comparing Management Board remuneration in 2015 to 2016.

3 Free cash flow includes cash flows relating to the Telematics segment up to 31 March 2019, the effective date of sale.

In the period 2016-2020, the company performance showed an overall positive trend 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 over this period, as the change in the mix of our workforce offset the increase in remuneration for individual employees.

In 2020, Management Board remuneration decreased corresponding to a decrease in company performance as a result of a bonus payout of zero, as further explained in the section detailing short-term incentives. The average remuneration for global employees remained stable when compared to last year, as underlying increases in employee remuneration was offset by a lower bonus in 2020.

DEVIATION FROM REMUNERATION POLICY

The Remuneration Committee did not deviate from its decision-making process in relation to the implementation of the Remuneration Policy nor derogate from clauses 6 up to and including 11 of the policy. Though, it was concluded from the outcome of the benchmark performed in 2020 that the total compensation of each of the Management Board members is not in line with the objective to gear total compensation around the third quartile of comparable practices.

REMUNERATION REPORT CONTINUED

> REMUNERATION OF THE SUPERVISORY BOARD

This section provides an overview of the Remuneration Policy for TomTom's Supervisory Board. This Remuneration Policy was adopted by the General Meeting in 2020.

The objective of the Remuneration Policy for the Supervisory Board is to provide remuneration in a manner that:

- > qualified and expert persons can be recruited and retained as members of the Supervisory Board with the right balance of personal skills, competences and experience required to oversee the (execution of the) company's strategy and performance;
- > intends to reward Supervisory Board members for utilizing their skills and competences to the maximum extent possible to execute the tasks delegated to them including but not limited to tasks and responsibilities imposed by the Dutch Civil Code, Dutch Corporate Governance Code and the Articles of Association;
- > as guiding principle, should reflect the median of the AEX pay practice for comparable roles; and
- > reflects the company's size and complexity, as well as the responsibilities of the role and the time spent.

OVERVIEW OF REMUNERATION

Given the nature of the responsibilities of the Supervisory Board as an independent body, remuneration of the Supervisory Board is not tied to the performance of the company and only comprises fixed remuneration, delivered in cash.

In addition to a fixed fee, the members of the Supervisory Board are provided with a committee fee and intercontinental travel compensation. Payment of the remuneration is done in Euro. Currency conversion risks are for the account of the member of the Supervisory Board. The rates of compensation for 2020 are as follows:

(€)	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

Members of the Supervisory Board are not authorized to receive any payments under the company's pension or variable pay schemes or under any long-term incentive plan. No shares or rights to shares were granted to a Supervisory Board member by way of remuneration. At present, none of the Supervisory Board members own any shares in the company. Members of the Supervisory Board are not entitled to any benefits upon the termination of their appointment and no loans are made to any members of the Supervisory Board.

Outlook

No adjustments to the Remuneration Policy for the Supervisory Board are proposed for implementation in 2021.

APPLICATION AND OUTCOME

The following table provides an overview of the actual remuneration of the Supervisory Board in 2020¹:

(€)	2020	2019
Derk Haank ²	64,733	56,000
Jacqueline Tammenoms Bakker	51,000	51,000
Bernd Leukert ²	12,664	47,000
Jack de Kreij	50,000	50,000
Michael Rhodin	50,602	62,000
Hala Zeine	10,183	
Peter Wakkie		27,000
Total	239,182	293,000

- 1 The remuneration has not changed over the last five years, except for the intercontinental travel allowance approved in 2019. This has had limited application in 2020 as meetings took place virtually.
- 2 Bernd Leukert stepped down during 2020, following which Derk Haank joined the Audit Committee increasing his remuneration.



FOR MORE INFORMATION

Supervisory Board Remuneration
tomm.com/company/boards-and-committees/#supervisory-board-remuneration

REMUNERATION REPORT CONTINUED

STAKEHOLDER ENGAGEMENT AND GOVERNANCE

The perspectives of TomTom stakeholders and the overall social and business context are taken into consideration by the Remuneration Committee when developing and reviewing the Remuneration Policy for TomTom's Management Board and the Remuneration Policy for TomTom's Supervisory Board. The Remuneration Committee is committed to continuously improving the dialogue and transparency regarding Management Board remuneration.

Works Council

Both the Management Board and the Supervisory Board have an open relationship with the Dutch Works Council. Members of the works council have the opportunity to raise and discuss matters, including the Remuneration Policies and its application 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).

Shareholders

Input provided directly by shareholders and remuneration voting outcomes are always considered carefully by the Supervisory Board. As with all diverse interests and perspectives, opinions will differ, but TomTom endeavors to consider as many as possible.

Investor organizations/proxy advisors

In 2020, the Remuneration Committee continued its engagement with representatives of several stakeholders (VEB, Eumedion) and proxy advisors (ISS) to facilitate a transparent and constructive dialogue about Management Board remuneration. The feedback of all three stakeholders was generally similar.

Recommendations in relation to the Remuneration Policy and the Remuneration Report included, among others, i) decrease of the number of the US companies present in peer group, and ii) greater disclosure on STI targets, and iii) insights into the Supervisory Board's considerations resulting in decisions.

TomTom has implemented above recommendations. The representation of US companies in the peer group has decreased from eight to five. To address items ii) and iii), TomTom has considered the tables as suggested by the Guidelines on the standardized presentation of the remuneration report issued by the European Commission. With this year's report, the Supervisory Board has aimed to provide greater transparency on its deliberations underlying the decisions made regarding the STI and the LTI.

Concerns were also raised. Firstly, Eumedion and ISS disagree on the absence of a discount on LTI-targets with the introduction of RSUs in 2019. The RemCo appreciates the exchange of arguments and perspectives but does not see grounds to justify a discount. The benchmark performed this year, shows that the existing 140%-100% target allocation place all three TomTom's Management Board members close to first quartile of the peer group in terms of LTI. Also, the Remuneration Committee considers that the outcome of the total compensation including LTI is moderate compared to the market.

Secondly, all three stakeholders addressed the absence of performance measures driving RSUs grants. The Supervisory Board acknowledges that this is an ongoing concern raised by shareholders. However, it strongly believes that the implementation of a non-performance based LTI-plan is still the most effective and justifiable instrument to steer the Management Board towards long-term value creation and justifies its existence because of the inability to set viable long-term performance conditions. The performance underpin ensures that grants will be reduced or withheld if circumstances justify this. The Remuneration Committee seeks to report clearly on its considerations prior to the RSU grant, especially the performance against TomTom's strategic goals.

Public perception

The Supervisory Board follows 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.

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 in that context, it has been from the perspective of being seen to be modest compared to other organizations in the global tech industry.

REMUNERATION REPORT CONTINUED

Shareholder Rights Directive II

This Remuneration Report aims to reflect the reporting requirements as provided by article 2:135b of DCC, implementing the EU Shareholder Rights Directive II (SRD II). One of the key objectives of the SRD II is to provide 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.

In accordance with article 2:135a sub 2 of DCC and article 2:145 sub 2 of DCC, the Supervisory Board proposes for adoption the Remuneration Policy for TomTom's Management Board respectively Supervisory Board to the General Meeting of Shareholders once every four-year period, the next time at the 2024 Annual General Meeting (AGM). The decision for adoption of the Remuneration Policies require at least 75% of the cast votes in favor. Our Remuneration Policy for the Management Board has been approved at our 2020 AGM with 80.18% votes cast in favor. Our Remuneration Policy for the Supervisory Board has been approved with 99.94% votes cast in favor.

This Remuneration Report describes the process which has been followed by the Remuneration Committee in relation to the implementation of the Remuneration Policies over the given financial year, and, if applicable, any proposed revision of the Remuneration Policies.

Every year, the implementation of the Remuneration Policies, through the Remuneration Report, is put forward for an advisory vote to the AGM (in line with article 2:135b sub 2 of DCC). At our 2020 AGM, 87.12% votes cast in favor for our 2019 Remuneration Report.

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 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 2020.

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.

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 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.