

# Letter from the RemCo Chair

Dear Stakeholder,

**On behalf of the Remuneration Committee, I am pleased to present the 2022 Remuneration Report. The report provides a detailed explanation of TomTom's Management and Supervisory Board's remuneration policies alongside with an overview of how they were implemented in 2022.**

I was honored to take over the chair from Jacqueline Tammenoms Bakker after my appointment on 24 June 2022. It is a great opportunity to join TomTom at such a pivotal moment in its history. I am excited to contribute my experience as well my personal perspectives to the suite of valuable opinions in TomTom's Remuneration Committee. I am looking forward to further assessing our current methods against the market and aligning the organizational purpose with the voices of our stakeholders.

Our Remuneration Policy establishes a company-wide framework for results-driven remuneration that is supportive of TomTom's strategic objectives, operational and financial results, and the creation of long-term value for all stakeholders. It is designed to attract and retain senior talent, as well as to provide fair, competitive, and responsible remuneration in a straightforward and transparent manner.

The Policy reflects the following principles:

- Alignment with, and incentivizing behavior towards, the achievement of TomTom's vision and strategy and the creation of long-term value;
- Alignment of pay structures throughout TomTom;
- Competitive with companies with whom we compete for talent;
- Consideration of stakeholders' perspectives and society needs; and
- Aspiration to live up to the highest standards of good corporate governance and enhanced transparency.

## **2022 context and performance**

Despite that macroeconomic uncertainties and inflationary pressures have an impact on global car production as well as our cost levels, we are proud to see that TomTom showed resilience in 2022.

The competition for talent and candidates' financial expectations continued to put substantial pressure on pay. In order to drive TomTom's new strategic direction, we made significant investments in new and existing leadership roles to ensure delivery of future value. This resulted in an exceptionally high number of new executives joining TomTom in 2022.

## **ESG commitments**

We conduct business responsibly. We continued to deliver on key commitments related to Environmental, Social, and Governance (ESG) programs in 2022. We are pleased to announce that, as a result of our ongoing engagement with our stakeholders, as well as the Company's long-standing belief in the importance of an ESG framework, the Supervisory Board, after discussions with the Management Board, decided to add an ESG-related performance criteria to the Management Board's Short-Term Incentive program in 2022. This addition, we believe, is a demonstrable reflection of TomTom's ambitions to link financial results with our societal responsibility.

## **Future outlook**

In 2022, we propose no changes to the Remuneration Policies. However, we would like to point out that the Management Board's variable pay level is below the benchmark. Additionally, we continue to see the growing importance of our LTI program in attracting and retaining new technology talent at levels below Management Board. As a result, the disparity in variable pay levels between the Management Board and senior leadership continues to narrow year over year. The Remuneration Committee observes that total compensation, including LTI targets, is lower than our desired market position and therefore deviates from the current Remuneration Policy. While we will make no changes or adjustments this year, we will conduct a market benchmark to reassess the gaps next year, thereby acknowledging changes may be inevitable in the coming years.

Following the foregoing considerations, we reiterate our firm belief that our LTI element in the form of RSUs allows the Management Board to focus on the company's strategic objectives and long-term value creation, and thus ensures the best alignment of the Management Board's remuneration with the long-term interests of stakeholders.

I am looking forward to share my insights and perspectives around TomTom's 2022 Remuneration Report and the applicability outcome at the AGM in 2023.

On behalf of the Remuneration Committee,

MARILI 'T HOOFT-BOLLE

*Chair of the Remuneration Committee*

# Continually enhancing the transparency of our remuneration

## REMUNERATION AT A GLANCE

FIXED PAY AND BENEFITS		
Attracts, engages, and retains Board Members to deliver on TomTom's strategic objectives		
<b>Base salary*</b> <b>€521</b> <b>€429</b> <b>€434</b> <b>Harold</b> <b>Taco</b> <b>Alain</b> <b>Goddijn</b> <b>Titulaer</b> <b>De Taeye</b> CEO                      CFO                      Board Member		
Positioned at a 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.		
<b>Pension % of base salary</b> <b>waived</b> <b>20%</b> <b>20%</b> CEO                      CFO                      Board Member		
<b>Benefits by Management Board</b> Typically items such as medical insurance, death and disability insurance and car allowances, officers' liability insurance coverage		

\* € in thousands

SHORT-TERM INCENTIVE		
Contributes to TomTom's short-term financial and non-financial performance objectives		
<b>Target % of base salary</b> <b>80%</b> <b>64%</b> <b>64%</b> CEO                      CFO                      Board Member		
<b>Maximum % of base salary</b> <b>120%</b> <b>96%</b> <b>96%</b> CEO                      CFO                      Board Member		
<b>2022 bonus results</b> <b>117%</b> <b>117%</b> <b>117%</b> CEO                      CFO                      Board Member		
<b>2022 bonus as a % of base salary</b> <b>93%</b> <b>75%</b> <b>75%</b> CEO                      CFO                      Board Member		
<b>2022 bonus amount*</b> <b>€487</b> <b>€320</b> <b>€325</b> CEO                      CFO                      Board Member		
<b>Targets</b> Location Technology Revenue (40%) Free cash flow (40%) Employee Engagement Score (20%)		

\* € in thousands

LONG-TERM INCENTIVE PLAN		
Aligns Board Members' objectives with TomTom's long-term growth strategy and stakeholders' interests		
<b>Target % of base salary</b> <b>140%</b> <b>100%</b> <b>100%</b> CEO                      CFO                      Board Member		
<b>Grant 2022 RSU value at grant date*</b> <b>€730</b> <b>€429</b> <b>€434</b> CEO                      CFO                      Board Member		
RSUs were introduced in 2019. No grant of stock options to Management Board since 2018		
RSUs are subject to a three-year vesting period and a two-year holding period. Vesting is conditional upon employment only		
Actual grant levels do not deviate from target unless underpin conditions are not met		
<b>Shareholding</b> Target levels, % of base salary at 31 December 2022 <b>3x</b> <b>2x</b> <b>2x</b> CEO                      CFO                      Board Member Number of times base salary at 31 December 2022 <b>192x</b> <b>0.4x</b> <b>5x</b> CEO                      CFO                      Board Member		

\* € in thousands. Value of the 2022 grant is equal to the number of RSUs granted in 2022 x share price at grant date.

## 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 operational improvement and financial stability, and long-term value by pursuing growth and partnership opportunities through our location technologies and innovative services.

### INTERNAL ALIGNMENT

The Remuneration Committee reviews the alignment of pay structures throughout the company 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 their view of their own remuneration package with the Chair 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 lead to inappropriate outcomes.

The effect of different performance scenarios on the level and composition of remuneration was analyzed and the outcome was 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 considered that the range of potential remuneration is within outcomes that are appropriate for that level of performance.

#### 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

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

Pay ratio <sup>1</sup>	2018	2019	2020	2021	2022
CEO	28.9	27.1	20.1	22.7	23.3
Management Board	22.8	22.2	17.0	19.0	19.3

<sup>1</sup> Excluding the cost of social security.

Annually, TomTom reviews local competitive dynamics and the livable wage in each of our operating locations. If needed, adjustments are made to ensure employees compensation are at market and above livable wage levels as part of TomTom's efforts to be a good employer. The outcomes of these reviews contribute to our pay ratio.

The decrease of the pay ratio in 2020 was caused by the investments made in employees' salaries in the company's key markets, in combination with a zero bonus payout for the Management Board members.

Even though the Management Board bonus payout, as an absolute number, is higher than the average bonus payout for employees in 2022, the pay ratio only slightly increased. This is mainly the result of the substantial pressure on employee compensation packages.

The Supervisory Board considers TomTom's pay ratio to be at a low end. The current level is acceptable, but is requiring continuous attention.

### 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 insights into relevant competitive markets. The last benchmark was performed in 2020. In the years where no benchmark is performed, such as in 2022, 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. The next benchmark is planned for 2023. In preparation of that benchmark, a review will be performed on the peer group to ensure relevance and appropriateness within the industry.

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.

TomTom Executives and potential hires

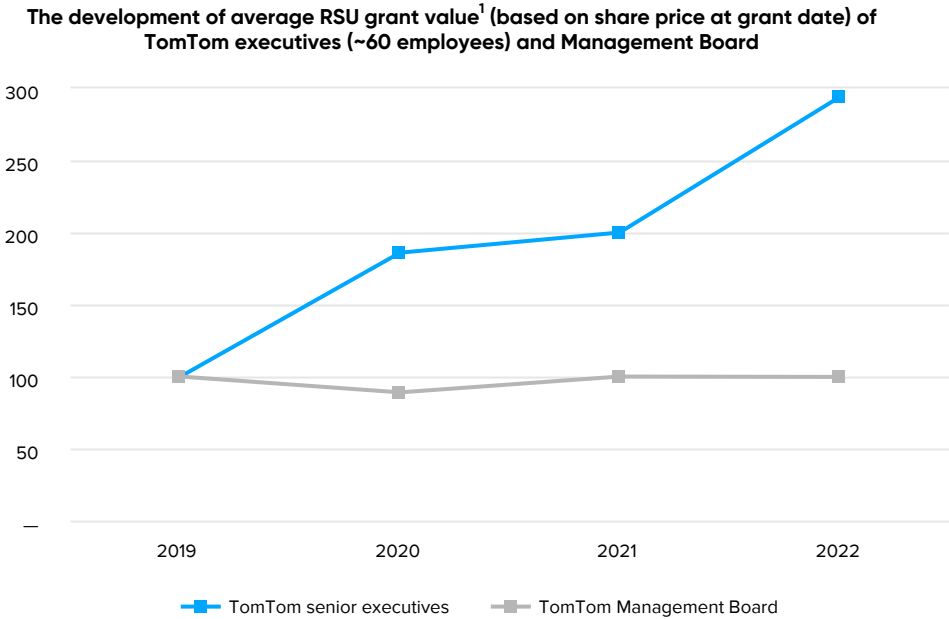
To realize our strategic objectives, TomTom hired more executives than previous years in 2022. During unprecedented market circumstances, we witnessed the competition for talent and candidate's financial expectations growing exponentially. We experienced a market trend whereby the Long-Term Incentive became more and more a significant part of senior management remuneration packages. In addition, we also have targeted tech talent from other major tech companies, renowned for offering large Long-Term Incentive packages. In order to attract and retain the talent we need to execute the company's strategy, TomTom increased its investment in RSU allocation for the levels below the Management Board for the third year in a row.

Consequently, while an average RSU grant value per average TomTom executive tripled since 2019, the average grant value for Management Board has remained at the same level. The gap in Long-Term Incentives variable pay between the Management Board and senior executives continues to decrease year over year. This is a topic which requires continued vigilance.

Conclusions

The Supervisory Board deems that the Management Board's remuneration package requires further attention. Although the Supervisory Board did not take any actions in relation to a relatively low Long-Term Incentive this year, they recognize that changes might be inevitable in the upcoming future.

This conclusion is drawn based on both internal and external benchmarks and the low pay ratio levels, combined with the outcomes of the Management Board's benchmark in 2020. Additionally, in the case of the CEO, the base salary remains under the median market level. Further, the remuneration required to attract and retain senior talent continues to confirm the insight that the Long-Term Incentive levels for the Management Board are below median.



<sup>1</sup> Indexed, with average RSU grant value in 2019 set at 100.

**OVERVIEW OF REMUNERATION**

Below follows a detailed overview of the Management Board Remuneration Policy, its application in 2022 and the outcome of variable pay targets. The table below is an overview of the actual remuneration of the Management Board in 2022:

€ in thousands	Year	Fixed				Variable		Total remuneration <sup>4</sup>	Ratio of fixed to variable remuneration
		Base salary	Fringe benefits	Pension <sup>1</sup>	Other items <sup>2</sup>	Short-term incentive	Long-term incentive <sup>3</sup>		
<b>Harold Goddijn</b>	<b>2022</b>	521	1	—	9	487	677	<b>1,695</b>	31% / 69%
	<b>2021</b>	503	1	—	9	191	661	1,365	38% / 62%
<b>Taco Titulaer</b>	<b>2022</b>	429	2	86	9	320	398	<b>1,244</b>	42% / 58%
	<b>2021</b>	414	2	84	9	126	383	1,018	50% / 50%
<b>Alain De Taeye</b>	<b>2022</b>	434	22	87	9	325	403	<b>1,280</b>	43% / 57%
	<b>2021</b>	419	22	84	9	128	393	1,055	51% / 49%

<sup>1</sup> Gross pension allowance is determined as 20% of base salary minus the employer's contribution to the pension plan as per 1 January. Taco Titulaer's total pension contribution slightly exceeded 20% of his base salary in 2021 due to a change in his employer contribution percentage based on age brackets.

<sup>2</sup> Other items includes social security.

<sup>3</sup> 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.

<sup>4</sup> Remuneration of the Management Board is directly paid by TomTom N.V. 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 ratio to total remuneration levels within the company is also considered to ensure alignment throughout the company.

The Supervisory Board considers the appropriateness of any changes based on the market environment. 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 €114,866 in 2022. 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**

In 2022, the Management Board members' salaries were assessed against the adjustments for other employees and were adjusted by 3.66% in line with market movement for employees in the Netherlands.

Harold Goddijn opted to waive his pension rights. Taco Titulaer's pension is received as a combination of gross pension allowance and contributions to the company pension plan. Alain De Taeye receives a gross pension allowance. Reference is made to the overview of actual remuneration for pension amounts paid in 2022.

## SHORT-TERM INCENTIVE

Management Board members participate in the short-term, annual incentive plan. 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, non-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, all in accordance with the Management Board remuneration policy.

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

Once targets are set, they do not change during the year. Performance is reviewed each quarter and the final assessment against the targets, 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 performance assessment under the short-term incentive plan is based on an evaluation of the past financial year. To determine the performance versus targets, the reported results will be assessed and, in case required, adjusted for exceptional items.

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 the 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

In 2022, in addition to the financial performance criteria used in previous years, the Supervisory Board decided to add a non-financial metric to the 2022 short-term incentive plan.

The financial performance criteria for the 2022 short-term incentive plan were aligned with the financial guidance given to the financial markets. The targets reflect the importance of balancing 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. This metric is an indicator of the company's long-term strategic ambition in the location technology market. It reflects how our customers value our products and TomTom as a partner.

The free cash flow of the TomTom group, including the Consumer segment, is considered as an appropriate indicator for profitability. This metric reflects the emphasis on the company's financial stability and ensures that the company is well positioned for future key investments.

The non-financial performance criteria is driven by the average results of TomTom's Employee Engagement Score (EES), which is measured twice per year in April and October. The EES is also a material ESG theme as described in the Our Impact chapter.

In 2022, the performance targets, levels and relative weighting were set with a standard deviation:

Performance metric	Weighting	Minimum performance (0%)	Target 2022 (100%)	Maximum performance (150%)	Actual achievement
Location Technology revenue	40%	€380 million	€400 million	€420 million	144%
Free cash flow <sup>1</sup>	40%	(€35 million)	(€25 million)	(€15 million)	100%
Employee Engagement Score	20%	72	75	78	100%

<sup>1</sup> Free cash flow is cash from operating activities minus capital expenditures.

Location Technology revenue in 2022 was €436 million, which was above the upper boundary, however we adjusted it for exceptional items such as the the impact of change in the way we identify performance obligations of subscription-based map revenue, resulting in a 144% achievement.

Our free cash flow, adjusted for among others, exceptional working capital movements and the realignment of our Maps organization as communicated in June 2022, was equal to the target of -€25 million resulting in 100% achievement.

The employee engagement score is the average of the survey held in March and November of respectively 77 and 73, resulting in a score of 75 which is equal to the target resulting in 100% achievement.

The weighted achievement on the three performance metrics result in respectively 93% award as % of base salary for the CEO and 75% for the other two board members.

The following table summarizes the performance of the Management Board and the corresponding short-term incentive award based on the assessment of the plan:

€ in thousands	Base salary	Target % of base salary	Weighted achievement performance metrics	Actual award 2022
<b>Harold Goddijn</b>	521	80%	117%	487 (93%)
<b>Taco Titulaer</b>	429	64%	117%	320 (75%)
<b>Alain De Taeye</b>	434	64%	117%	325 (75%)

## 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 for senior leadership. Hence, RSUs are a common instrument in the international technology industry. Internal consistency is facilitated as RSUs are also the prevalent Long-Term Incentive plan instrument for senior leadership within TomTom.

RSUs build alignment with shareholders by enabling management and employees to build up shareholdings in the company. The three-year vesting period, conditional on continued employment, is followed 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 vesting of RSUs is not linked to predetermined and measurable performance criteria, because the rapidly evolving technology market makes it very difficult to identify and set meaningful long-term performance targets.

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 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.

The structure of 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.

## 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 2022:

	Base salary (€ in thousands)		Target % of gross annual salary	Value in (€) at grant date <sup>1</sup>	Number of RSU granted
<b>Harold Goddijn</b>	521	X	140 % /	7.73 =	94,393
<b>Taco Titulaer</b>	429	X	100 % /	7.73 =	55,456
<b>Alain De Taeye</b>	434	X	100 % /	7.73 =	56,186

<sup>1</sup> The number of RSUs granted is determined on the basis of the average of the closing prices of TomTom N.V. shares in the 60 days preceding the grant date.

When considering the RSU allocation in April 2022, the Supervisory Board carefully considered the overall performance of the company, the performance of the Management Board and the impact of market conditions.

Specifically, with reference to the performance underpin condition of exceptional market or business circumstances, the Remuneration Committee examined in detail whether the market conditions were such that the award should be adjusted, whether there was any factor in the performance of the company that would threaten the long-term value creation, whether the long-term strategy developed in line with expectations, and looked at the correlation between the rewards of MB and the rest of the company. TomTom continued to have a strong cash position with no debt, and the resilience to maintain its course including investments in value-creating R&D and the execution of the long-term strategy. There were also no risk management failures, reputation or compliance issues – other factors that might have been relevant. Therefore, the Remuneration Committee proposed to the Supervisory Board that there were no reasons to withhold or reduce the 2022 RSU grant, and after due consideration and evaluation the Supervisory Board approved this proposal.



DETAILS OF THE RESTRICTED STOCK UNITS OF THE MANAGEMENT BOARD

	Main plan conditions				Information regarding the reported financial year					
	Plan	Grant date	Vesting date	End of holding period <sup>1</sup>	Opening	Movement during the year		Closing		Market value of award at year-end (€) <sup>2</sup>
					At beginning of the year	Granted	Vested	At end of the year	Subject to a holding period <sup>1</sup>	
<b>Harold Goddijn</b>	RSU 2019	3-May-19	3-May-22	3-May-24	87,630	—	87,630	—	87,630	568,281
	RSU 2020	29-Apr-20	29-Apr-23	29-Apr-25	83,620	—	—	83,620	—	—
	RSU 2021	29-Apr-21	29-Apr-24	29-Apr-26	88,420	—	—	88,420	—	—
	RSU 2022	15-Apr-22	15-Apr-25	15-Apr-27	—	94,393	—	94,393	—	—
<b>Taco Titulaer</b>	RSU 2019	3-May-19	3-May-22	3-May-24	51,480	—	51,480	—	26,622	172,644
	RSU 2020	29-Apr-20	29-Apr-23	29-Apr-25	49,130	—	—	49,130	—	—
	RSU 2021	29-Apr-21	29-Apr-24	29-Apr-26	51,950	—	—	51,950	—	—
	RSU 2022	15-Apr-22	15-Apr-25	15-Apr-27	—	55,456	—	55,456	—	—
<b>Alain De Taeye</b>	RSU 2019	3-May-19	3-May-22	3-May-24	52,160	—	52,160	—	22,768	147,650
	RSU 2020	29-Apr-20	29-Apr-23	29-Apr-25	49,770	—	—	49,770	—	—
	RSU 2021	29-Apr-21	29-Apr-24	29-Apr-26	52,630	—	—	52,630	—	—
	RSU 2022	15-Apr-22	15-Apr-25	15-Apr-27	—	56,186	—	56,186	—	—
					<b>566,790</b>	<b>206,035</b>	<b>191,270</b>	<b>581,555</b>	<b>137,020</b>	<b>888,575</b>

<sup>1</sup> Once vested, RSUs are subject to a two-year holding period.

<sup>2</sup> The market value of an award at year-end is calculated using as the closing share price on 31 December 2022 of €6.49 multiplied by the number of vested outstanding units.

DETAILS OF THE STOCK OPTIONS OF THE MANAGEMENT BOARD

	Main plan conditions					Information regarding the reported financial year					
	Plan	Grant date <sup>1</sup>	Vesting date	Expiry date	Exercise price (€)	Opening	Movement during the year			Closing	
						At beginning of the year	Expired	Vested	Exercised	At end of the year	Outstanding and vested
<b>Harold Goddijn</b>	Option 2015	7-May-15	7-May-18	7-May-22	7.83	210,000	210,000	—	—	—	—
	Option 2016	10-May-16	10-May-19	10-May-23	7.58	112,500	—	—	—	112,500	112,500
	Option 2017	10-May-17	10-May-20	10-May-24	9.57	165,000	—	—	—	165,000	165,000
	Option 2018	2-May-18	2-May-21	2-May-25	8.13	201,500	—	—	—	201,500	201,500
<b>Taco Titulaer</b>	Option 2015	7-May-15	7-May-18	7-May-22	7.83	39,200	—	—	39,200	—	—
	Option 2016	10-May-16	10-May-19	10-May-23	7.58	48,500	—	—	—	48,500	48,500
	Option 2017	10-May-17	10-May-20	10-May-24	9.57	85,000	—	—	—	85,000	85,000
	Option 2018	2-May-18	2-May-21	2-May-25	8.13	102,800	—	—	—	102,800	102,800
<b>Alain De Taeye</b>	Option 2015	7-May-15	7-May-18	7-May-22	7.83	110,000	35,000	—	75,000	—	—
	Option 2016	10-May-16	10-May-19	10-May-23	7.58	56,500	—	—	—	56,500	56,500
	Option 2017	10-May-17	10-May-20	10-May-24	9.57	100,000	—	—	—	100,000	100,000
	Option 2018	2-May-18	2-May-21	2-May-25	8.13	120,000	—	—	—	120,000	120,000
						<b>1,351,000</b>	<b>245,000</b>	<b>—</b>	<b>114,200</b>	<b>991,800</b>	<b>991,800</b>

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

<sup>2</sup> The market value of an award at year-end is calculated as the closing share price on 31 December 2022 of €6.49, 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 on 31 December 2022 and are assumed to have no market value.



## Share ownership guidelines and holdings requirement

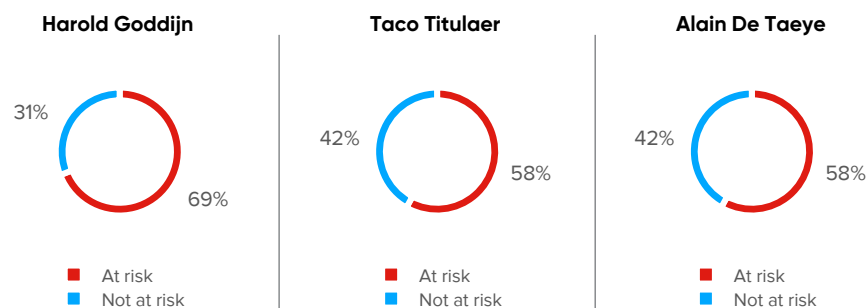
Under the TomTom share ownership guidelines, introduced as part of the policy changes in 2019, members of the Management Board must build up and own a minimum number of TomTom N.V. shares. The shareholding requirements for the CEO are a minimum of three times base salary, and for the other members of the Management Board a minimum of two times base salary. These guidelines are designed to further align the interest of the members of the Management Board with the interests of its shareholders.

Board member	Share ownership guidelines	Current shareholding (number of shares)	Current value of shares (€ in thousands)	Base salary (€ in thousands)	Number of times base salary
<b>Harold Goddijn</b>	3x base salary	15,411,239	99,942	521	192 x
<b>Taco Titulaer<sup>1</sup></b>	2x base salary	26,622	173	429	0.4 x
<b>Alain De Taeye</b>	2x base salary	334,504	2,169	434	5 x

<sup>1</sup> Taco Titulaer started building his share ownership position upon the first RSUs vesting in 2022.

## 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.<sup>1</sup>



<sup>1</sup> Excluding lease car allowance.

## Outlook

After having considered the economic market circumstances and Dutch and European governance context, as well as stakeholders' feedback, no adjustments to the Remuneration Policy are proposed for implementation in 2023.

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 8.34%.

No changes are anticipated for the 2023 short-term incentive scheme and the 2023 Long-Term Incentive scheme.

## FOR MORE INFORMATION

[Management Board Remuneration](#)

**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, expressed in absolutes and the delta in percentages compared with the immediate preceding year:

**Management Board remuneration<sup>1</sup>**

€ in thousands and as a % compared to previous year

	2018	2019	2020	2021	2022
Harold Goddijn	1,579	1,551	1,151	1,356	1,686
YoY	14%	-2%	-26%	18%	24%
Taco Titulaer	975	1,095	852	1,009	1,234
YoY	24%	12%	-22%	18%	22%
Alain De Taeye	1182704	1172124	907104	1045524	1,270
YoY	14%	-1%	-23%	15%	22%
<b>Total</b>	<b>3,736</b>	<b>3,819</b>	<b>2,910</b>	<b>3,411</b>	<b>4,190</b>
YoY	<b>16%</b>	<b>2%</b>	<b>-24%</b>	<b>17%</b>	<b>23%</b>

**Average remuneration<sup>1</sup> per FTE**

€ in thousands and as a % compared to previous year

	2018	2019	2020	2021	2022
Global employees	55	57	57	60	72
YoY	-2%	5%	—%	5%	21%

**Company performance measures**

€ in millions and as a % compared to previous year, unless stated otherwise

	2018	2019	2020	2021	2022
Location Technology revenue	372	426	392	394	436
YoY	12%	14%	-8%	—%	11%
Free cash flow <sup>2</sup>	145	70	-26	24	-29
YoY	112%	-52%	-138%	192%	-224%
Share price (€) <sup>3</sup>	7.90	9.42	8.44	9.11	6.49
YoY	-19%	19%	-10%	8%	-29%

<sup>1</sup> Excluding the cost of social security.

<sup>2</sup> Free cash flow includes cash flows relating to the Telematics segment up to 31 March 2019, the effective date of sale, for 2022 the cash related to our Maps restructuring is excluded.

<sup>3</sup> Share price as of 31 December.

In the period 2018 – 2019, the company performance showed an overall positive trend. The years 2020 and 2021 were impacted by respectively COVID-19 and global semiconductor shortages, especially impacting our Automotive revenue and free cash flow 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 2022, the Management Board remuneration increased as a result of a higher bonus payout as further explained in the Short-Term Incentives section. The average remuneration for global employees increased as result of marked increases in employee remuneration as well as a higher bonus pay-out over 2022.

**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. However, the outcome of the benchmark performed in 2020 indicated that the total compensation of each of the Management Board members is not in line with the objective to target total compensation around the third quartile of comparable companies.

## 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. Other than the introduction of the intercontinental travel compensation in 2019, the Supervisory Board fees have not changed over the last ten years. Therefore, the Supervisory Board fees will be reassessed with the peer group benchmark in 2023. 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 2022 are as follows:

(€)	Chair	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 2023.

## APPLICATION AND OUTCOME

The following table provides an overview of the actual remuneration of the Supervisory Board in 2022 and prior years:

(€)	2022	2021	2020	2019	2018
Derk Haank <sup>1</sup>	64,370	61,000	64,733	56,000	13,000
Jack de Kreij <sup>2</sup>	50,767	50,000	50,000	50,000	50,000
Michael Rhodin <sup>3 4</sup>	53,767	53,000	50,602	62,000	47,649
Marili 't Hooft-Bolle <sup>5</sup>	26,492	—	—	—	—
Gemma Postlethwaite <sup>4 6</sup>	11,750	—	—	—	—
Jacqueline Tammenoms Bakker <sup>7</sup>	14,733	51,000	51,000	51,000	51,000
Hala Zeine <sup>7</sup>	13,578	47,000	10,183	—	—
Karien van Gennip <sup>8</sup>	1,333	8,000	—	—	—
Previous members	—	—	12,664	74,000	108,450
<b>Total</b>	<b>236,790</b>	<b>270,000</b>	<b>239,182</b>	<b>293,000</b>	<b>270,099</b>

<sup>1</sup> Derk Haank temporarily joined the Audit Committee replacing Hala Zeine, increasing his remuneration.

<sup>2</sup> Jack de Kreij temporarily joined the RemCo replacing Jacqueline Tammenoms Bakker, increasing his remuneration.

<sup>3</sup> Michael Rhodin temporarily joined the SelCo replacing Jacqueline Tammenoms Bakker, increasing his remuneration.

<sup>4</sup> Michael Rhodin and Gemma Postlethwaite are eligible for intercontinental travel allowance.

<sup>5</sup> First appointed on 24 June 2022.

<sup>6</sup> First appointed on 1 October 2022.

<sup>7</sup> Stepped down as per 14 April 2022.

<sup>8</sup> Stepped down as per 10 January 2022.

## FOR MORE INFORMATION

[Supervisory Board Remuneration](#)

## 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. As with all diverse interests and perspectives, opinions will differ, but TomTom endeavors to consider as many as possible.

### 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.

### Investor organizations/proxy advisors

In 2022, the Remuneration Committee continued its engagement with representatives of several stakeholders (VEB, Eumedion) and proxy advisors (ISS) to facilitate a transparent and constructive dialogue on Management Board remuneration. The Remuneration Committee and the Supervisory Board highly appreciate these constructive and transparent dialogues.

In relation to the Remuneration Report, the recommendation were:

- i) whether a non-financial performance criteria would be added to TomTom's STI (Eumedion, VEB); and
- ii) explain whether TomTom intends to change the Management Board Remuneration Policy or its application in 2023 since the total compensation including LTI is below median compared to the peer group benchmark and a new strategy was announced (Eumedion, VEB).

As regards i), a non-financial metric was added to the STI in the form the Employee Engagement Score.

As regards ii), the Supervisory Board and Remuneration Committee annually review the appropriateness and the application of the Remuneration Policy, taking into account the external peer group benchmark and increasing LTI required to attract and retain senior management. In 2023, an external peer group benchmark, based on relevance and appropriateness within the industry, will be conducted for both the Management Board and the Supervisory Board. Even though no changes to – the application of – the Remuneration Policy are proposed for 2023, adjustments may be necessary in the future.

Concerns were also raised. Firstly, all three stakeholders again addressed the absence of specific performance underpin conditions for the RSUs. The Supervisory Board has made further disclosures on underpin performance considerations when assessing the LTI grant. The Supervisory Board considers that the current broad formulation of the performance underpin gives it the necessary scope to not award LTI grant if this should be inappropriate. No change is therefore foreseen.

All three stakeholders also asked whether the newly announced Maps strategy allows the identification of performance conditions in the near future. The Remuneration Committee will consider all potential developments and any amendment to the current policy will take into account all relevant business and market circumstances, including the new strategy.

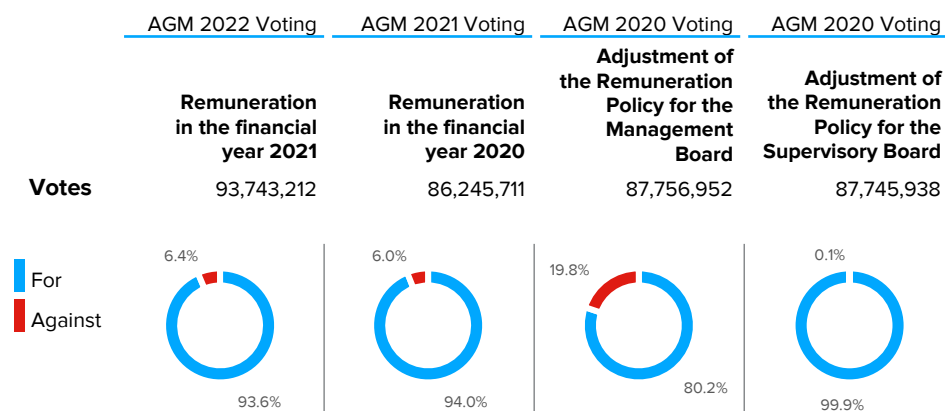
### Public perception

The Supervisory Board follows the societal implications of general remuneration trends and perspectives globally and locally. In general, Management Board remuneration at TomTom is not a publicly debated topic.

### Shareholder Rights Directive II

This Remuneration Report aims to meet the reporting requirements defined by article 2:135b of the 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 the DCC and article 2:145 sub 2 of the 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 to adopt the Remuneration Policies require at least 75% of the cast votes in favor. Our Remuneration Policy for the Management Board was approved at our 2020 AGM with 80.18% votes cast in favor. Our Remuneration Policy for the Supervisory Board was 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 2022 AGM, approximately 93% votes cast in favor for our 2021 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 was clawed back in 2022.

#### 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 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 themselves, or on their own initiative.