



AGENDA¹

for the Annual General Meeting of Shareholders ('AGM') of TKH Group NV, to be held at TKH Group N.V., Spinnerstraat 15 in Haaksbergen (the Netherlands), on Thursday 7 May 2020, at 1:00 p.m.

1. OPENING

2. REPORT OF THE EXECUTIVE BOARD, ANNUAL FINANCIAL STATEMENTS, DIVIDEND AND DISCHARGE

- a. Presentation of the report of the Executive Board and the annual financial statements for the 2019 financial year
- b. Remuneration report for the 2019 financial year (advisory vote)
- c. Proposal to adopt the annual financial statements for the 2019 financial year (vote)
- d. Explanation of the policy concerning reserves and dividends
- e. Proposal to declare the 2019 dividend and make it payable (vote)
- f. Discharge of the members of the Executive Board for their management duties (vote)
- g. Discharge of the members of the Supervisory Board for their supervisory duties (vote)

3. REMUNERATION POLICY

- a. Proposal to adopt the Executive Board Remuneration Policy (vote)
- b. Proposal to adopt the Supervisory Board Remuneration Policy (vote)

4. COMPOSITION OF THE SUPERVISORY BOARD

- a. Notification of Supervisory Board vacancies and board position profiles to the shareholders at the AGM
- b. Opportunity for shareholders at the AGM to make recommendations, with due regard for the position profiles
- c. Announcement to the shareholders at the AGM of the Supervisory Board's recommendation to reappoint Mr. R.L. van Iperen to the Supervisory Board, if the shareholders do not invoke their right of recommendation
- d. Proposal to the shareholders at the AGM to reappoint Mr. R.L. van Iperen as a member of the Supervisory Board, if the shareholders do not invoke their right of recommendation (vote)
- e. Announcement to the shareholders at the AGM of the Supervisory Board's recommendation to appoint Mrs. M. Schöningh MBA to the Supervisory Board, if the shareholders do not invoke their right of recommendation
- f. Proposal to the shareholders at the AGM to appoint Mrs. M. Schöningh MBA as a member of the Supervisory Board, if the shareholders do not invoke their right of recommendation (vote)

5. PROPOSAL TO APPOINT THE EXTERNAL AUDITOR TO AUDIT THE ANNUAL FINANCIAL STATEMENTS FOR THE 2021 FINANCIAL YEAR (VOTE)

6. PROPOSAL TO AUTHORIZE THE EXECUTIVE BOARD TO ACQUIRE SHARES IN THE COMPANY (VOTE)

7. PROPOSAL TO REAPPOINT THE EXECUTIVE BOARD AS THE COMPETENT AUTHORITY TO DECIDE ON:

- a1. the issuance of ordinary shares and cumulative financing preference shares (vote)
- a2. the restriction or exclusion of shareholders' pre-emptive rights with respect to the issuance of shares referred to under a1. (vote)

8. ANY OTHER BUSINESS AND CLOSE

¹ In view of the COVID-19 situation, we reserve the right to make changes to the agenda, to postpone the AGM or to take other appropriate measures in the event of new government guidelines or new insights into the situation.

EXPLANATORY NOTES

ITEM 2

- b. In accordance with Dutch law, the 2019 remuneration report will be discussed with shareholders and submitted to the AGM for an advisory vote. It is proposed to approve the 2019 remuneration report. TKH has drawn up the 2019 remuneration report, including an overview of the remuneration of individual members of the Executive Board and the Supervisory Board, in accordance with statutory requirements. The 2019 remuneration report is included in the 2019 Annual Report on pages 72-79 and is published on the TKH website: www.tkhgroup.com.
- d. The policy of TKH is aimed at securing an attractive return for the shareholder, which is reflected in an appropriate reserve and dividend policy. Healthy balance sheet ratios are very important for the continuity of the company. In determining the distributable dividend, TKH takes into account the amount of profit the company needs to retain to carry out its plans in the medium-term, while maintaining a solvency rate of at least 35%. In light of the growth targets for the coming years, TKH will aim as in previous years for a pay-out ratio of between 40% and 70%.
- e. The shareholders at the AGM will be asked to approve the payment of a dividend for 2019 of € 1.50 per (depository receipt of) share (2018: € 1.40). Based on the outstanding shares at year-end 2019, this results in a pay-out ratio of 59.8% of the net profit before amortization and one-off income and expenses attributable to shareholders, and 55.2% of the net profit attributable to shareholders. The proposal is for the dividends to be charged to reserves in cash. The dividend will become payable on 15 May 2020.

ITEM 3

- a. The Remuneration Policy of the Executive Board will be submitted to the AGM for approval at the proposal of the Supervisory Board and with retroactive effect will take effect from 1 January 2020. The proposed Remuneration Policy is in line with the policy that has applied in recent years. This Remuneration Policy does not materially alter the various remuneration elements and the underlying objectives for the members of the Executive Board compared to the previous Remuneration Policy adopted by the AGM of 2005. The proposed changes to the Remuneration Policy have been made to bring the remuneration in line with the recently implemented legislation in the Netherlands on the Remuneration Policy for members of the Executive Board of listed companies. The Central Works Council has been informed and consulted on the proposed Remuneration Policy for members of the Executive Board and has been given the opportunity to form an opinion. The Executive Board Remuneration Policy is published on TKH's website: www.tkhgroup.com.
- b. The Remuneration Policy of the Supervisory Board will be submitted to the AGM for adoption at the proposal of the Supervisory Board and with retroactive effect will take effect from 1 January 2020. The proposed Remuneration Policy has been drawn up in response to the recently implemented legislation in the Netherlands on the Remuneration Policy for members of the Supervisory Board of listed companies. The proposed Remuneration Policy is in line with the way in which the members of the Supervisory Board have been rewarded in recent years. The Central Works Council has been informed and consulted on the proposed Remuneration Policy for members of the Supervisory Board and has been given the opportunity to form an opinion. The Supervisory Board Remuneration Policy is published on TKH's website: www.tkhgroup.com.

ITEM 4

At the end of the AGM on 7 May 2020, Mr. R.L. van Iperen will step down in accordance with the schedule of retirement. Under the regulations of the Supervisory Board and the articles of incorporation of TKH, Mr. Van Iperen may be reappointed for a further period of two years. Mr. Van Iperen has indicated that he is available for reappointment.

Due to the expiry of the maximum mandated term of office of 12 years set out in the articles of incorporation, Mr. P.P.F.C. Houben will step down as per the 2021 AGM. With a view to safeguarding the expertise and thus the continuity in the Supervisory Board, the Supervisory Board notifies the AGM of the intention to temporarily expand the number of Supervisory Board members by one member. This results in an extra vacancy.

As usual, the so-called telescope system for (re)appointing new board members to the Supervisory Board will be used so that the entire procedure can be completed in a single meeting.

The procedure is as follows:

- a. The shareholders at the AGM are notified of the vacancies arising from the resignation of Mr. Van Iperen in accordance with the schedule of retirement. Given the schedule of retirement and with a view to safeguarding the expertise and thus the continuity in the Supervisory Board, the Supervisory Board notifies the AGM of the intention to temporarily expand the number of Supervisory Board members by one member. This results in an extra vacancy. The reappointment

of Mr. Van Iperen is not subject to a special right of recommendation from the Central Works Council, as described in Section 19 (8) of the company's articles of association. For the vacancy that has arisen due to the appointment of an additional member of the Supervisory Board, the Central Works Council has been given the opportunity to make use of its enhanced right of recommendation. These vacancies must be filled in accordance with the position profile defined for the Supervisory Board. The profile defined for the Supervisory Board is published on TKH's website: www.tkhgroup.com.

- b. The shareholders at the AGM are given an opportunity to recommend to the Supervisory Board, with due regard for the position profile, candidates for nomination as member of the Supervisory Board. The Central Works Council was notified of the vacancies and profiles. With respect to the vacancy arising as a result of the retirement of Mr. Van Iperen, the Central Works Council has indicated that it will not exercise its right of recommendation. The Central Works Council has stated that it does however wish to invoke its special right of recommendation for the vacancy for an extra Supervisory Council member and recommends Mrs. M. Schöningh MBA for this vacancy.
- c. The Supervisory Board nominates Mr. R.L. van Iperen as a candidate for reappointment to the Supervisory Board - based in part on the profile specified for the Supervisory Board - on the condition that the shareholders at the AGM do not invoke their right of recommendation. The Supervisory Board has discussed the reappointment of Mr. Van Iperen, and its members are of the unanimous opinion that his knowledge, experience and added value match the desired expertise as set out in the profile of the Supervisory Board. The members of the Supervisory Board consider the reappointment of Mr. Van Iperen to be in the best interests of TKH, given his extensive knowledge of the company and his excellent performance as a Board member. His broad experience as a director with ultimate responsibility and as entrepreneur, as well as his expertise in the field of technology, together with his experience in international listed companies, fit in well with the required expertise and competences. The dedication with which he fulfilled his role as member of the Supervisory Board and member of the Remuneration Committee during the past years, is an additional reason to recommend his reappointment.

Mr. Van Iperen is 66 and has been a member of TKH's Supervisory Board since 2011. Mr. Van Iperen is also chairman of the Remuneration Committee of the Supervisory Board. Mr. Van Iperen is a former president & CEO of Canon Europe Ltd./Senior Managing Executive Officer of Canon Inc. and is Chairman of the Supervisory Board of the Princess Maxima Centre for Paediatric Oncology. For the purpose of this nomination, these existing positions and related term limits were taken into consideration. This nomination is in compliance with the legal limitations on the number of

supervisory functions a person may hold under the Dutch Management and Supervision Act ('Wet bestuur en toezicht'). Mr. Van Iperen is of Dutch nationality, and he does not own any shares in TKH.

The Central Works Council was notified well in advance of the convocation of the AGM, so that it might form an opinion with regard to this nomination, in accordance with Section 2 (158) (4) of the Dutch Civil Code. The chairman of the Central Works Council, or a member of the Central Works Council designated by the chairman, may explain the Central Works Council's opinion to the AGM.

- d. If the shareholders at the AGM choose not to invoke their right of recommendation, a motion will be made at the AGM to reappoint Mr. R.L. van Iperen as a member of the Supervisory Board for a term that will expire at the end of the first AGM held two years after the appointment.
- e. The Supervisory Board nominates Mrs. M. Schöningh MBA as a candidate for appointment to the Supervisory Board - based in part on the profile specified for the Supervisory Board and the recommendation of the Central Works Council - on the condition that the shareholders at the AGM do not invoke their right of recommendation. The Supervisory Board has discussed the appointment of Mrs. Schöningh and is of the unanimous opinion that her knowledge and experience match the desired expertise, as set out in the profile drawn up by the Supervisory Board and specifically based on her international experience within an international company, including affinity with technology and TKH's activities.

Mrs. Schöningh is 56 years old and is Chief Operating Officer and Member of the Management Committee of SHV Energy. Mrs. Schöningh started her career at McKinsey & Company and held various senior management positions at DSM from 1997 to 2016, most recently the position of Global Vice President, M&S at DSM Sinochem Pharmaceuticals in Singapore. Mrs. Schöningh is a member of the Supervisory Board of Zuyd University of Applied Sciences. For the purpose of this appointment, these existing positions and related term limits were taken into consideration. This nomination is in compliance with the legal limitations on the number of supervisory functions a person may hold under the Dutch Management and Supervision Act ('Wet bestuur en toezicht'). Mrs. Schöningh is of Dutch nationality, and she does not own any shares in TKH.

The Central Works Council was notified well in advance of the convocation of the AGM of Shareholders, so that it might form an opinion with regard to this nomination, in accordance with Section 2 (158) (4) of the Dutch Civil Code. The chairman of the Central Works Council, or a member of the Central Works Council designated by the chairman, may explain the Central Works Council's opinion to the AGM.

- f. If the shareholders at the AGM choose not to invoke their right of recommendation, a motion will be made at the AGM to appoint Mrs. M. Schöningh MBA as a member of the Supervisory Board for a term that will expire at the end of the first AGM held four years after the appointment.

ITEM 5

Pursuant to Section 32.1 of the articles of association, the General Meeting of Shareholders is authorized to appoint an external auditor to audit the financial statements. The Audit Committee has independently evaluated the performance of Ernst & Young Accountants LLP (EY) as the external auditor for the financial year 2019 and the effectiveness of the audit process, partly by means of feedback from stakeholders within TKH. In view of the outcome of this evaluation and of what was subsequently adopted with regard to the planning and execution of the external audit for the 2019 financial year, the

Audit Committee advised the Supervisory Board to nominate EY for reappointment as the external auditor of TKH for the audit of the financial statements for the 2021 financial year.

On the recommendation of the Audit Committee, the Supervisory Board proposes to the AGM that EY be appointed to audit the TKH financial statements for the financial year 2021. The audit will be carried out under the responsibility of Mr. F. Blenderman, partner at EY.

ITEM 6

This concerns a proposal to authorize the Executive Board, for a period of 18 months commencing 7 May 2020 and within the limits of the law and the articles of association, to repurchase for valuable consideration, on the stock market or otherwise, shares or depository receipts for shares in the company up to a maximum of 10% of the issued capital of TKH at the time of repurchase. TKH shall not hold, through the repurchase of shares, more than 10% of the issued capital at the time of repurchase. The price of the shares/depository receipts for shares being repurchased shall be between the amount equal to the par value they represent, on the one hand, and the amount equal to one-hundred-and-ten percent (110%) of the market price, on the other.

Market price is defined as the average of the highest price on each of the five trading days preceding the date of acquisition of a depository receipt for a share in TKH as shown in the Official Price List of Euronext Amsterdam N.V. The price for priority shares shall be equal to their par value. The price for cumulative financing preference shares and cumulative protection preference shares shall be equal to the sum that TKH would have to pay by virtue of the provisions of the TKH articles of association if the shares were being withdrawn.

ITEM 7

This concerns a proposal to designate the Executive Board, for a period of 18 months commencing on 7 May 2020, as the body that is authorized, subject to the approval of the Supervisory Board, to decide to (i) issue ordinary shares and cumulative financing preference shares, including the granting

of rights to subscribe to shares and (ii) restrict or exclude pre-emptive rights. The designation shall apply to the ordinary shares and cumulative financing preference shares taken together, up to a total of ten percent (10%) of the total nominal value of the issued shares.