

Governance

Members of the Executive Board	59
Members of the Supervisory Board	60
Report of the Supervisory Board	61
Remuneration Report	68
Corporate Governance	78
Risk Management	80
Management Statement	89
TKH Shares	90

Members of the Executive Board



J.M.A. (Alexander) van der Lof MBA
Chairman of the Executive Board, CEO

Dutch nationality, male, 1958
Term 2001-present

Alexander van der Lof started his career in 1985 at TKH subsidiary B.V. Twentsche Kabelfabriek (TKF), where he held various management positions, including Commercial Director. In addition to his career at TKF, Mr. Van der Lof was Company Secretary of TKH Group for a number of years. In 1998, Mr. Van der Lof became a member of the Executive Board of TKH Group and Chief Financial Officer (CFO). Since 2001, he has been Chairman of the Executive Board and Chief Executive Officer (CEO) of TKH Group.



E.D.H. (Elling) de Lange MBA
Member of the Executive Board, CFO

Dutch nationality, male, 1965
Term 2008-present

Elling de Lange joined TKH in 1998, having previously been a member of the Board of C&C Partners in Poland. In 2002, he was appointed Financial Director of the Chinese cable production companies TFO and ZTC, and in 2003 he took the position of CEO. Since 2006, Mr. De Lange has also been responsible for the Dutch and Chinese cable production companies. Mr. De Lange has been a member of the Executive Board and Chief Financial Officer (CFO) of TKH Group since 2008. Prior to joining TKH Group, he held various international management positions at Ballast Nedam.



H.J. (Harm) Voortman Msc
Member of the Executive Board

Dutch nationality, male, 1966
Term 2022-2026

Harm Voortman joined TKH's subsidiary, VMI Holland B.V. in 2004, where he held various management positions, including Commercial Director. In 2010, Mr. Voortman was appointed CEO of the VMI Group, and in 2015 he also joined the Management Board of TKH. In 2018, Mr. Voortman was appointed member of the Executive Board of TKH Group. Prior to his career at TKH Group, Mr. Voortman worked in various R&D and management positions at, among others, Shell and Stork.

Members of the Supervisory Board

P.W.B. (Peter) Oosterveer Dutch nationality, male, 1957 <i>Chairman</i>	J.M. (Mel) Kroon Dutch nationality, male, 1957 <i>Vice-chairman</i>	C.W. (Carin) Gorter Dutch nationality, female, 1963 <i>Member</i>	A.M.H. (Marieke) Schöningh Dutch nationality, female, 1963 <i>Member</i>	R.L. (Rokus) van Iperen Dutch nationality, male, 1953 <i>Member</i>
2022 first appointment, Chairman since October 2023 2026 end of term	2017 first appointment 2025 end of term	2017 first appointment 2025 end of term	2020 first appointment 2024 end of term	2011 first appointment 2024 end of term
Chairman of the Selection and Nomination Committee Member of the Audit Committee Member of the Remuneration Committee	Member of the Selection and Nomination Committee Member of the Audit Committee	Chairman of the Audit Committee Chairman of the Remuneration Committee	Member of the Remuneration Committee	
Current other positions: <ul style="list-style-type: none"> Chairman of the Supervisory Board, kanker.nl Advisor Goldman Sachs Asset Management International Previous positions: <ul style="list-style-type: none"> CEO and Chairman of the Executive Board, Arcadis N.V. 	Current other non-Executive Board positions: <ul style="list-style-type: none"> Chairman of the Supervisory Board, Attero B.V. Chairman of the Supervisory Board, Eneco Groep N.V. Current other positions: <ul style="list-style-type: none"> Non-Executive Board Member, Urenco Ltd & UCN B.V. Member of the Supervisory Board, LVNL Member of the Supervisory Board, KVSA B.V. Advisor, Mitsubishi Corporation Board Member, German-Dutch Chamber of Commerce DNHK Advisor, Improved Member of the Supervisory Board, Montel SA Chairman Advisory Board, GIGA Storage B.V. Previous positions: <ul style="list-style-type: none"> Chairman of the Executive Board, TenneT Holding B.V. 	Current other non-Executive Board positions: <ul style="list-style-type: none"> Vice-Chairman of the Supervisory Board, Basic-Fit N.V., Chairman of the Audit and Risk Committee (2016) Member of the Supervisory Board, Coöperatie TVM U.A., Chairman of the Audit and Risk Committee (2013) Member of the Supervisory Board, DAS, Chairman of the Audit and Risk Committee (2019) Member of the Supervisory Board, NTS (Nederlandse Transplantatie Stichting) (2020) Member of the Supervisory Board, Ebusco Holding N.V., Chairman of the Audit Committee (2021) Current other positions: <ul style="list-style-type: none"> Owner, Carin Gorter Advies & Toezicht Previous positions: <ul style="list-style-type: none"> Senior Executive Vice President & Head of Group Compliance, Security & Legal, ABN AMRO 	Current positions: <ul style="list-style-type: none"> Member of the Executive Board and COO, ProRail Current other positions: <ul style="list-style-type: none"> Chairman of the Advisory Board of the Erasmus School of Economics Previous positions: <ul style="list-style-type: none"> Member of the Management Board and COO, SHV Energy 	Current other non-Executive Board positions: <ul style="list-style-type: none"> Chairman of the Supervisory Board, Princess Máxima Center for Pediatric Oncology Previous positions: <ul style="list-style-type: none"> President and CEO, Canon Europe Ltd. Senior Managing Executive Officer, Canon Inc. Chairman of the Executive Board, OCÉ N.V.

Report of the Supervisory Board

The Supervisory Board oversees the way the Executive Board defines and implements TKH's strategy to achieve the identified objectives of the company and its affiliated companies. In doing so, the Supervisory Board is provided with financial, commercial, operational, sustainability, and governance information, thereby focusing on the interests of all the company's stakeholders.

The Supervisory Board advises the Executive Board and oversees the Executive Board's relationship with stakeholders, including shareholders. The members of the Executive Board are appointed by the General Meeting of Shareholders on a binding recommendation drawn up by the Supervisory Board. The Supervisory Board is governed by by-laws, which include rules covering such matters as its working method, tasks, decision-making, and competencies.

Composition and diversity

The Supervisory Board is composed in such a way that the knowledge, experience, and understanding of current and anticipated future topics at TKH, as well as the markets and activities relevant to the company, are well represented. Each member of the Supervisory Board possesses specific expertise required to fulfill his or her supervisory role. The Board's effectiveness is determined by the team's composition in terms of knowledge and competencies, as well as the cooperation between its members. In addition to regular plenary strategy discussions, each member of the Supervisory Board has his or her own focus area in relation to TKH's activities or end market and supervises the way the Executive Board defines and implements TKH's strategy. Continuity in the composition and operation of the Supervisory Board is also invaluable, given its overall accountability for the consideration of various strategic

interests aimed at sustainable long-term value creation. In accordance with the Dutch Corporate Governance Code (the "Code"), the Supervisory Board therefore applies a maximum term of office of 12 years. In addition, as part of the annual (self-)evaluation and prior to each reappointment, an assessment is made to determine whether the profile for the overall composition of the Supervisory Board is "up-to-date," and whether the expertise, competencies, and contribution of the candidate in question are suitable. An introduction program is in place for new members of the Supervisory Board, which considers the expertise and knowledge that the member brings to the Supervisory Board. The introduction program focuses on the general strategy, financial and sustainability reporting, and the organizational structure and activities of TKH.

The Supervisory Board aims for diversity in its composition in terms of age, gender, background, expertise, professional experience, and nationality, considering statutory requirements. These elements are also included in the profile drawn up by the Supervisory Board for any new members. In terms of composition, the Supervisory Board complies with the quota stipulated in Dutch company law of a balanced distribution of at least 1/3 female and 1/3 male members, insofar as these seats are allocated to natural persons. The Board supports the view that diversity

Smart Vision systems

contributes to objective and sound decision-making, whereby diversity is not only considered important in terms of gender but also in terms of expertise, competencies, and background. The composition of the Supervisory Board is such that its members can act critically and independently of one another, the Executive Board, and any individual interests. In the opinion of the Supervisory Board, all members meet the independence requirements stipulated in best-practice provisions 2.1.7 up to 2.1.9 of the Code.

The chairman and the composition of the committees have changed in the past year. Mr. Oosterveer has been appointed as chairman of the Supervisory Board, succeeding Mr. Van Iperen. Mr. Van Iperen had requested to step down from his position as chairman of the Supervisory Board for health reasons. Mr. Van Iperen will nevertheless continue to serve as a Supervisory Board member and will retire as originally planned in accordance with the applicable retirement schedule, reaching the maximum term of office at the AGM 2024.

Meetings during the year under review

In 2023, six regular meetings were held, which were all attended by the Executive Board. The Supervisory Board meetings were well attended in 2023. All Supervisory Board

members were present during the Supervisory Board meetings, with the exception of one member unable to attend one meeting and another member who was unable to attend most of the 2023 meetings in person for health reasons. Despite his personal situation, this member was able to have frequent interaction with the other members of the Supervisory Board about the items on the agenda. In addition to the regular meetings, three closed meetings took place, attended only by the Supervisory Board members. During the year under review, there were no subjects on the agenda that could have potentially given rise to conflicts of interest. The 2022 annual financial statements were discussed in the presence of the external auditor. In preparation for the Supervisory Board meetings, as well as to discuss other relevant matters during the year, the chairman of the Supervisory Board maintained regular contact with the chairman of the Executive Board. The Supervisory Board supervises and advises the Executive Board based on agenda items that recur at every meeting, and on specific subjects relevant for discussion at any given time.

Company visits

At least one regular meeting is held annually at the location of a TKH operating company. Such a company visit allows

the Supervisory Board to meet with local management and employees and to gain a better understanding of TKH's activities, technological developments, and organizational capacity. The Board is updated on local developments and possible challenges faced by local management. Company visits, presentations, demonstrations, and guided tours are always part of the program. Particular attention is also paid to the local company culture.

In 2023, the Supervisory Board has visited the TKH operating companies C&C Partners and TKH Technology in Poland. It also visited the new state-of-the-art production facility of TKF for fiber optic cable, as well as the new production facility for specialized connectivity systems of E&E, both in Poland. The expansion of the factory for VMI's tire building systems in Poland was also visited. In addition, the Supervisory Board visited the new subsea cable factory in Eemshaven, the Netherlands, which was under construction throughout the year. During these company visits, the Supervisory Board was informed about technological and project developments, market developments, and other company-specific developments and topics. Specific attention was paid to artificial intelligence (AI) and the possibilities of applying AI in the existing product portfolio and using AI in future applications.



Supervisory Board visit to new Subsea cable factory in Eemshaven, the Netherlands



During the visit to the new factories, special attention was paid to the progress of the construction, risks, expenditures, and safety issues. The subsequent guided tour through the factories provided insight into the construction and production process. The Supervisory Board greatly values these company visits and, in particular, the meetings with local management and employees, as they provide a deeper and more comprehensive understanding of local activities and the company culture. The Supervisory Board also appreciates the openness and transparency of the presentations and discussions.

Regular meetings

Recurring agenda items, concerning topics such as business and financial developments, the progress of the Accelerate 2025 strategy program, sustainability, technological, organizational, and market developments, as well as investor relations, are discussed at each regular meeting. In 2023, specific attention was paid to the further development of the sustainability strategy, the revised Corporate Governance Code, the Remuneration Policy for 2024, the divestment of the cable connectivity activities in France, and the acquisitions of Euresys S.A. and JCAI Inc. Further attention was paid to supply chain management, cost inflation of (raw) materials and labor, the impact of increasing interest rates and a possible recession, and the influence of global economic and geopolitical developments on the implementation of TKH’s strategy, financial position, and results. Finally, specific attention was paid to the valuation of TKH and the opportunities to further unlock the value potential of the company. Where appropriate, the chairperson of the relevant Board committee explains the most important findings of each meeting. The content of the press releases concerning the annual and half-year results is discussed with the full Supervisory Board prior to publication.

The “strategic scorecard” was used at each meeting to discuss the progress of strategic initiatives and business

developments, including the order book, the competitive environment in which TKH operates, potential business risks, and how these risks are managed. In this context, the Board was also frequently updated on the progress of innovation projects. The Supervisory Board was furthermore updated on the progress of the Strategic Investment Program 2022-2023 as part of the execution of the Accelerate 2025 strategy program. This strategic capital expenditure program will increase TKH’s production capacity to respond to the higher market demand for automation, digitalization, and electrification:

- Subsea connectivity systems (new factory in Eemshaven, the Netherlands)
- Medium- and high-voltage cables (expansion in the Netherlands)
- Fibre optic cables (new factory in Poland)
- Specialized connectivity systems (new factory in Poland)
- Tire building systems (expansion in Poland)

Throughout the year, a “deep dive” presentation was given by the Executive Board concerning TKH’s Airport Solutions

activities. More insight was gained into the proposition of the Airport Solutions activities, (development of) the product portfolio, general market developments, achievements, challenges, installed projects, and the sales funnel.

The Supervisory Board is regularly updated on the progress of sustainability initiatives and developments. Last year, specific attention was paid to the increasing relevance of non-financial information with a focus on the Corporate Sustainability Reporting Directive (CSRD) and related European Sustainability Reporting Standards (ESRS). Progress on the defined key non-financial KPIs was discussed, including the progress made toward the target of CO₂e neutrality (scopes 1 and 2) by 2030 and diversity of the workforce. Special attention was also paid to the double materiality assessment and the CSRD implementation plan for 2024. For the Supervisory Board, this confirmed that sustainability is a top priority within the organization and an integral part of (strategic) business decisions.

Topics of Supervisory Board Meetings in 2023

Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • Business review • Financial results and press release • Progress of strategic program • Investments and divestments • Supervisory Board committees • Explanation of audit report • AGM preparation/dividend proposal • Acquisition of Euresys S.A. • Divestment of cable connectivity activities in France 	<ul style="list-style-type: none"> • Business review • Financial results • Progress of strategic program • Investments and divestments • Supervisory Board committees • Preparation for AGM • Divestment of cable connectivity activities in France 	<ul style="list-style-type: none"> • Business review • Financial results and press release • Progress of strategic program • Investments and divestments • Supervisory Board committees • Acquisition of JCAI Inc. • Divestment of cable connectivity activities in France • Company visit to Eemshaven, the Netherlands • Remuneration Policy • Revised Corporate Governance Code 	<ul style="list-style-type: none"> • Business review • Financial results • Progress of strategic program • Investments and divestments • Supervisory Board committees • Budget and Investment Plan 2024 • Company visit in Poland • HR topics including management development • Sustainability Strategy and update including EU Taxonomy, CSRD, and ESRS • Remuneration Policy • Deep dive TKH Airport Solutions • Valuation of TKH



Supervisory Board visit new production facility of TKF for fibre optic cable and new production facility for specialized connectivity systems of E&E, in Poland

Closed meetings

The Supervisory Board met three times in the absence of the Executive Board. The most important topics of discussion were:

- Explanation by the Remuneration Committee of the Remuneration Policy for the Executive Board and Supervisory Board and the remuneration proposal for the Executive Board.
- The 2024 Remuneration Policy, including proposed changes compared to the existing Remuneration Policy, as proposed by the Remuneration Committee.
- Evaluation of the performance of the Supervisory Board, its committees, and its individual members.
- Composition of the Executive Board and the Supervisory Board and its committees – formal nominations for (re) appointments to the Supervisory Board to the 2024 AGM.

Culture and organization

TKH has an entrepreneurial culture with a focus on technological development and a proactive approach to the

market. Given its decentralized organizational structure, responsibilities are delegated deep within the organization. The Executive Board leads by example and provides guidance on norms and values. To supervise the cultural aspect, the Supervisory Board makes company visits to gain insights into the situation in the organization, for example, and the management of risks through discussions with and presentations by local management. Consultation with the Central Works Council is also an important part of the assessment of company culture. TKH applies different methods and systems to identify and manage risks. Potential risks and risk management systems are regularly discussed with the Executive Board, and openness about risks is strongly encouraged.

HR and safety

HR developments are discussed at least once a year with the Executive Board, with particular emphasis on management development (program), employee satisfaction, employer branding, diversity, and other relevant HR topics.

In 2023, special attention was paid to diversity and the implementation of action plans to increase the proportion of females in executive and senior management teams. The Supervisory Board devotes considerable attention to safety in the organization. Accidents and near-miss accidents are reported using safety indicators, for example. Since 2021, TKH has implemented ISO 45001 for all production companies. For the Supervisory Board, this is a confirmation that safety has been defined as one of the organization's top priorities, demonstrated through increased safety awareness in the organization and enabling employees to take responsibility for safety.

Contact with the Central Works Council

The Supervisory Board maintains annual contact with the Central Works Council about TKH's strategy and topics of interest to the individual Works Councils. These topics include staff continuity and employability, safety, and cooperation between operating companies. In the context of the Central Works Council's (strengthened) right of recommendation, when there are vacancies in the Supervisory Board, a dialogue is initiated with a view to obtain input for reappointment of existing members or appointing new members. The members of the Supervisory Board have great respect for the professionalism with which the Central Works Council deals with important issues and offers sound advice. The Board regards consultation with the Central Works Council as being open, constructive, and valuable. For the Supervisory Board, consultation with the Central Works Council is also an important element in assessing the culture within TKH's organizations.

Committees

The Supervisory Board of TKH has three committees: the Selection and Nomination Committee, the Remuneration Committee, and the Audit Committee. The committees all have their own set of rules governing their conduct.

Selection and Nomination Committee

The Selection and Nomination Committee consists of Mr. P.W.B. Oosterveer (chairman) and Mr. J.M. Kroon. The Selection and Nomination Committee held two formal meetings in 2023. The committee also had frequent (virtual) contact on current topics, in particular regarding the preparation and selection of a new member of the Supervisory Board, including ensuring that the knowledge and expertise within the Supervisory Board remains appropriate. Management development and succession planning is also an important topic of discussion within the TKH organization. The Selection and Nomination Committee reported to the Supervisory Board on the most important results of each of its meetings and consultations.

Remuneration Committee

The Remuneration Committee consists of Mrs. C.W. Gorter (chairman), Mrs. A.M.H. Schöningh, and Mr. P.W.B. Oosterveer. With the appointment of Mrs. A.M.H. Schöningh as a member of the Supervisory Board at the 2020 AGM, the Central Works Council exercised its enhanced right of recommendation, so that Mrs. Schöningh automatically becomes a member of the Remuneration Committee in accordance with the legal provision article 2:160a of the Dutch Civil Code. The Remuneration Committee held seven formal meetings in 2023. The Remuneration Committee also had frequent (virtual) contact during the past year. The chairman also had telephone consultations with the committee's external adviser as part of the Committee's preparatory work on benchmarking the remuneration package of the Executive Board and the Supervisory Board against the relevant reference group, the review of the composition of the reference group, and the preparation of the revised Remuneration Policy 2024. The achievement of the Executive Board's targets was assessed, based on which the committee presented a proposal for a decision on the remuneration of the Executive Board to the Supervisory

Board during a closed meeting. The targets for the Executive Board for the current financial year have also been discussed and defined.

In 2023, the Remuneration Committee conducted a thorough review of the Remuneration Policy. The review focused, among other things, on the remuneration structure, KPIs, long-term value creation including sustainability, and the composition of the reference group. In addition, relevant legislative and regulatory developments such as the CSRD and the revised Dutch Corporate Governance Code was assessed. The review also included current market practice, societal trends and expectations, and developments in corporate governance. Based on the outcome of this review, the Remuneration Committee developed a draft Remuneration Policy 2024, which was discussed in an open dialogue with relevant stakeholders. A proposal for a revised Remuneration Policy for the Executive Board will be submitted to the AGM in 2024. More information can be found in the "Remuneration Report" section.

The Remuneration Committee reported the most important findings of each of its meetings and consultations to the Supervisory Board.

Audit Committee

The Audit Committee consists of Mrs. C.W. Gorter (chairman), Mr. J.M. Kroon, and Mr. P.W.B. Oosterveer. Mrs. Gorter also sits on the committee as an expert in the preparation and audit of the financial statements.

The Audit Committee held five regular meetings in 2023. The Audit Committee meetings were held in the presence of the external auditor, as well as the CFO, the Director Internal Audit, the Manager Internal Audit, and the Director of Finance & Control of TKH. TKH's Tax Director was present at two meetings to explain national and international tax developments and specific tax matters of importance to

TKH, such as the application of the Dutch innovation box scheme, Pillar Two, tax compliance including the Tax Control Framework and risk management issues. The Audit Committee discussed the audit plan, on the basis of which the audit activities have been carried out, with the external auditor. The scope and materiality of the audit plan, as well as the key risks in the annual reporting that the external auditor has identified in the audit plan, were also discussed. During the year under review, the external auditor's audit approach and performance was reevaluated in consultation with the Audit Committee.

In addition, at each meeting, the Director Internal Audit provided an explanation of his findings concerning the internal audit activities. The company's internal risk management and control system is an ongoing concern for the Audit Committee. In 2023, a "deep dive" presentation was delivered on the implementation of the CSRD and related ESRS, on the setup, double materiality assessment, material ESG matters, timing, and challenges. Other topics discussed within the committee's remit included impairment analyses and the impact of changes in the International Financial Reporting Standards (IFRS) on the income statement and balance sheet including disclosures (financial statements). Due to the relevance of IT & Security to both the day-to-day operations and TKH's business model in the context of software development and R&D, this topic is given high priority at every Audit Committee meeting.

In the year under review, there was a discussion of the key audit matters identified by the external auditor as having the greatest impact on the audit approach and activities during the audit. The key audit matters identified include the recognition of revenue over time and the related valuation of contract assets and contract liabilities, and the valuation of capitalized development costs related to innovation projects in development. Specific focal points in the audit include the valuation of goodwill, non-compliance with laws and regulations, specifically (commission) payments to

third-party agents and non-routine transactions in high-risk countries, the valuation and disclosure of acquisitions and divestments, the valuation of deferred tax assets, the valuation of a specific right of use asset, and the planned capital expenditures and related commitments at year-end 2023, including accounting for start-up costs and decommissioning liability for the new subsea factory in Eemshaven, the Netherlands.

In the year under review, increased attention was devoted to developments in non-financial information, including the EU Taxonomy requirements and the CSRD and related ESRS. Internal Audit developed and conducted review activities focusing on the non-financial KPIs included in TKH's 2023 Annual Report. This was also in preparation for the audit of non-financial KPIs by the external auditor. TKH appointed Ernst & Young Accountants LLP (EY) to provide independent assurance of the report to reassure TKH's stakeholders about TKH's non-financial information. TKH has received limited assurance for the KPIs included in the Sustainability Statements paragraph of the 2023 Annual Report. During the reporting year, further attention was also paid to supply chain management, cost inflation of (raw



Supervisory Board visit at C&C Partners in Poland

materials and labor, the impact of interest rate volatility and a possible recession, and the influence of global economic and geopolitical developments on the execution of TKH's strategy, financial position, and results. During one of the meetings, specific attention was paid to the company's Treasury Policy.

Forensic expertise is used when drawing up the audit plan and performing audit activities to gain a clearer picture of the possible risks of fraud and review internal control measures, also given the increasing attention being paid to fraud and corruption in society. The Audit Committee discussed the company's fraud risk assessment, including inherent fraud risks, identified significant risks, and other risks and attention areas.

The external auditor explained the interim update letter with findings in reporting, and administrative organization and internal control, where relevant to the audit of the financial statements. The main topics discussed were the valuation of development costs concerning a specific asset, withholding tax, the divestment and processing of TKH's remaining stake in the Cable Connectivity Group, the divestment of cable connectivity activities in France, the planned capital expenditures, the valuation of assets including inventories at one of the subsidiaries, the valuation of a specific right of use asset, the new facility agreement, and the acquisition and processing of the acquisition of Euresys S.A. In addition, IT control measures and cybersecurity, fraud and non-compliance management, the financial closing process related to ESEF reporting, Pillar Two, and findings at operating companies that needed to be followed up were discussed. The external auditor also updated its audit plan to reflect recent developments, including the reassessment of materiality levels and scoping. Finally, relevant developments in the EU concerning non-financial information and reporting were discussed, including the CSRD and related ESRS requirements for 2024.

The Audit Committee evaluates the performance of the external auditor annually, regarding the quality of the audit activities, the adequacy and implementation of the audit engagement, and the quality and depth of the reports, as well as any additional contributions. The committee discusses its findings with the external auditor and with the Executive Board and Supervisory Board. The Audit Committee also evaluates the internal audit function. The input for the evaluations includes the follow-up on the points of attention and improvement of the audit activities as formulated by the external auditor and TKH regarding the previous financial year. The Audit Committee also advises the Supervisory Board on the nomination for the (re)appointment of the external auditor and prepares the selection of the external auditor. In doing so, it considers the Executive Board's observations. The Audit Committee then submits a proposal to the Supervisory Board for commissioning the external auditor to audit TKH's financial statements.

In accordance with best practice provision 1.7.4 of the Code, the Audit Committee held a meeting with the external auditor in 2023 without the presence of the Executive Board. It was established that the external auditor was independent of TKH.

The Audit Committee reported the most important findings of its meetings to the Supervisory Board.

Evaluation

The Supervisory Board also convened a closed meeting to discuss its own performance and that of its committees and individual members. The evaluation covered the Board's composition, independence, expertise, and team effectiveness, as well as the quality of information provision, the role of the chairman, and relations with the Executive Board. Based on the evaluation, it was concluded that the Supervisory Board as a whole, as well



Supervisory Board visit at VMI Group in Poland

as its individual members, functioned well. This honest and open relationship is characterized by mutual respect. The members complement each other sufficiently in their advisory and supervisory role toward the company and cover a wide range of relevant expertise. The available and desired expertise and knowledge within the Board was also discussed. It was established that there is a good working relationship between the Supervisory Board and the Executive Board, and that they are also sufficiently critical of each another. Communication from the Executive Board to the Supervisory Board takes place in an open, professional, and constructive manner so Supervisory Board members have a strong understanding of strategic and operational issues. It was also established that no member of the Executive Board has more than two “demanding” supervisory positions as defined in the Dutch Management and Supervision Act. The Supervisory Board has no indication of any kind of conflict of interest between the company and members of the Executive Board. The chairman of the Supervisory Board discussed the findings with the chairman of the Executive Board.

During the closed meetings, the points in the Code’s best-practice provision regarding the independence of the Supervisory Board (2.1.7), its individual members (2.1.8), and the chairman (2.1.9) were also assessed. It was concluded that all members of the Supervisory Board are independent.

Financial statements 2023

The report of the Executive Board and the 2023 financial statements were submitted to the Supervisory Board in accordance with the provisions in Article 31 of the Articles of Association. The financial statements were submitted for audit to Ernst & Young Accountants LLP, which subsequently issued an unqualified auditor’s report on the financial statements based on the audit.

The Supervisory Board discussed the financial statements with the Executive Board in the presence of the external auditor, and subsequently approved the financial statements

on March 4, 2024. The Supervisory Board submits the financial statements for the 2023 financial year to the AGM and recommends adopting the financial statements. The Supervisory Board believes that the financial statements constitute a sound basis for the account given by the Executive Board of its management and by the Supervisory Board of its supervision of the management. The Supervisory Board also proposes that the proposed appropriation of profits be approved and that the Executive Board be discharged in respect of the policies pursued and the Supervisory Board in respect of the supervision exercised.

Haaksbergen, March 4, 2024

On behalf of the Supervisory Board,
P.W.B. Oosterveer, *Chairman*

Attendance at meetings of the Supervisory Board and its committees

Meeting	Supervisory Board	Audit Committee	Remuneration Committee	Selection and Nomination Committee
P.W.B. Oosterveer	6/6	5/5	3/3	1/1
R.L. van Iperen ¹	1/6		0/4	0/1
J.M. Kroon	5/6	5/5		2/2
C.W. Gorter	6/6	5/5	7/7	
A.M.H. Schöningh	6/6		5/7	

¹ Mr. Van Iperen was unable to attend most of the 2023 meetings in person for health reasons. Despite his personal situation, this member was able to have frequent interaction with the other members of the Supervisory Board about the items on the agenda.

Remuneration report

This Remuneration Report describes the implementation of the Remuneration Policy for the members of the Executive Board and the Supervisory Board.

On behalf of the Remuneration Committee, I am pleased to present the 2023 Remuneration Report, which provides a summary of the remuneration policies for the Executive Board and the Supervisory Board and an explanation about how they were applied in 2023. No changes have been made to the policies for 2023.

The Remuneration Policies were proposed by the Supervisory Board for adoption by the 2020 General Meeting of Shareholders, with effect from January 1, 2020. The Remuneration Policy for the members of the Executive Board and the Supervisory Board were adopted by the AGM with 96.99% and 99.92% respectively.

The Remuneration Policy supports TKH to attract and retain the talent to allow TKH to deliver on the strategy as defined by the Accelerate 2025 strategy program and to meet its financial and operational objectives. It is designed to also provide fair, competitive, and responsible remuneration in a transparent manner, while at the same time demonstrating the desired values and behavior to satisfy all stakeholders.

The past year was not without challenges. But despite the global geopolitical tensions and the ongoing war in the Ukraine, combined with continued high inflation, supply chain disruptions and headwind because of destocking effects at customers, TKH delivered a solid performance. The company put additional focus on the impact of climate change and reinforced its sustainability strategy.

Looking ahead to 2024

It was the last year of the current Remuneration Policy. In Q2 2023, the Remuneration Committee started a fundamental review of the Remuneration Policy for the Executive Board and the Supervisory Board. The following principles were leading in this process:

- Incentivizing behavior toward the achievement of the strategy of TKH
- Being competitive to attract and retain the right talent

Letter from the Remuneration Chair



- Consider stakeholder's perspective and societal developments
- Comply with good corporate governance practices
- Performance criteria being measurable, transparent and auditable

We have spent considerable effort in engaging with our stakeholders, taking their comments into consideration and refining our perspectives on internal and external expectations, all supported by an external advisor. During the review of the Remuneration Policy we continued the dialogue with the Executive Board to gain their perspective and feedback to ensure that we are measuring the things that matter, that we compare ourselves with the right companies and that the targets we set are ambitious but realistic. The review focused among other things on the remuneration structure, KPIs and metrics, long-term value creation including sustainability and the composition of the reference group. In addition relevant legislative and regulatory developments and the revised Corporate Governance Code were assessed. The review also included market practices, societal trends and expectations and developments in corporate governance.

We have also engaged in active dialogue with the Workers Council as well as with governance organizations, proxy advisors and major shareholders on the envisaged changes. More information on these stakeholder engagements will be included in the convocation documents for the 2024 AGM including the full proposal for the revised Remuneration Policy for the Executive Board and Supervisory Board.

I would like to thank our shareholders and other stakeholders for their engagement and for sharing their views on the executive remuneration. We trust that our shareholders will support the 2024 Remuneration Policy for the Executive Board and Supervisory Board which we intend to submit for adoption at our 2024 AGM.

C.W. Gorter
 Chair of the Remuneration Committee

Remuneration Policy of the Executive Board

The remuneration payable to the members of the Executive Board consist of the following:

Total Remuneration		Long-Term incentive (LTI)	
Basic salary (TRI)	Total regular Income. Attracts, engages, and retains Executive Board members to deliver on TKH's strategic objectives.	Share Plan	Members of the Executive Board receive shares based on the achievement of targets.
Short-Term Incentive (STI)	An annual performance bonus. Contributes to the short-term financial and non-financial performance objectives of TKH.	Personal investment	Members of the Executive Board receive shares on the condition that they personally invest in the same number of shares as they receive under the LTI plan. By personally investing in the same number of shares as they are awarded under the LTI, each member of the Executive Board invests a significant amount of money in a way that prudently manages risk but still encourages an entrepreneurial spirit to create long-term value. As a result, the interests of the Executive Board and the shareholders remain aligned.
Long-Term incentive (LTI)	Incentive in the form of a share plan aligning the objectives of the Executive Board member with the long-term growth strategy and stakeholders' interests of TKH.		
Pension	A pension commitment including the right to benefits in the event of poor health or disability, and a widows' and orphans' pension in the event of death.		
Other benefits	Business allowances in accordance with what is generally accepted within the TKH organization.		

The Remuneration Policy aims to provide a competitive remuneration package to attract, motivate, and retain qualified managers for a publicly listed company, while keeping in mind the company's size and unique characteristics. The policy recognizes the internal and external context as well as TKH's business needs and sustainable long-term strategy. It is designed to stimulate sustainable long-term value creation for TKH and its affiliated companies, taking into account the provisions for good corporate governance. The policy aims to improve the company's performance, using financial and non-financial performance measures, combined with the careful assessment of risks and the right entrepreneurial spirit. It is reviewed for market conformity at least once every three years, on the basis of information provided by external experts. In addition, internal remuneration ratios are taken into account by ensuring that the remuneration ratio in the second tier is appropriate and in line with market standards. Based on the targets set, the Remuneration Committee performs scenario analyses of the STI and LTI targets.

Our Remuneration Policy and corporate strategy are aligned with specific short-term and long-term targets that link the remuneration of each member of the Executive Board to the success of the company. The size of the LTI in relation to the total remuneration package, as well as the requirement that members of the Executive Board must invest at their own expense in the same number of shares as they receive under the LTI, are important factors in creating sustainable long-term value and continuity for the company.

Reference group

To attract qualified executives to the Executive Board, and to retain the current members of the Executive Board on a long-term basis, the company takes external reference data into account when determining appropriate remuneration levels. A specific reference group has been established for this purpose. With reference to the AMX companies on Euronext Amsterdam, we primarily make comparisons with companies that are more or less equivalent to TKH in terms of complexity, size, and the international scope of their business portfolio. The

Remuneration Committee, supported by external experts, regularly evaluates this reference group to ensure that its composition remains appropriate. A peer group of international industry peers is also used to provide an additional assessment of sector-specific developments.

AMX		International sector peers
Aalberts Industries	Fagron	Prysmian
Air France-KLM	Fugro	Basler
Arcadis	PostNL	Cognex
Basic-Fit	SBM Offshore	Keyence
Corbion	Vopak	

While external market data provides a useful context, it is ultimately the responsibility of the Remuneration Committee and the Supervisory Board to determine appropriate remuneration packages that reflect the specific context and requirements of the company, as well as the skills and capabilities of the individual members of the Executive Board.

The external market data is therefore used to inform, rather than determine, decision-making. The Remuneration Committee evaluates the external market data and, if necessary, makes recommendations to the Supervisory Board for approval.

In 2023, as part of the preparation for our upcoming submission of the updated Remuneration Policy, we have started an extensive review of the peer group. We aim to present the updated Remuneration Policy for approval by the 2024 AGM.

Targets for STI and LTI

The annual targets for the STI and LTI relate to TKH's business plan as reflected in the financial and non-financial targets of the Accelerate 2025 strategic program.

The Supervisory Board sets the targets, along with their respective weighting and criteria, for any given year in line with the company's strategy and general structure. In the

process, the Board considers both financial and non-financial factors, along with personal targets, in addition to the following:

- Targets must be derived from the company's strategy, including the Accelerate 2025 strategic program.
- Emphasis should be placed on targets that are essential for long-term sustainable value creation.
- Past performance, business prospects, and conditions should be taken into account.
- Stakeholder expectations should be considered.

While financial and non-financial targets focus on achieving the overall strategic business objectives and sustainability ambitions, personal targets should relate to the specific role of the Executive Board as a collective, and to each individual member on the Executive Board. Factors considered for personal targets include the company's mission and identity, its overall Environmental, Social, and Governance (ESG) targets, and any important strategic issues for the coming year.

Among other things, the external assessment and the Remuneration Policy are used to formulate the proposal for the remuneration of the members of the Executive Board. In accordance with the Corporate Governance Code, the Remuneration Committee takes note of the views of the individual Executive Board members on the level and structure of their own remuneration. The remuneration for the members of the Executive Board was externally reviewed in the reporting year, at which point it was concluded that the TRI, STI, and LTI policies are consistent with the objectives set. The Supervisory Board believes that the total remuneration package strikes a good balance to achieve TKH's strategic targets. The package encourages the members of the Executive Board to deliver solid results and implement the company's strategy in a realistic but ambitious manner. There has been no deviation from the decision-making process for the implementation of the Remuneration Policy.

Targets financial

non-financial

Turnover >2 <small>in € billion in 2025</small>	Carbon neutrality own operations 100% <small>scopes 1 and 2 by 2030</small>	Female executive and senior management >25% <small>by 2030</small>
Return on Sales (ROS) >17% <small>in 2025</small>	Employee satisfaction >7.5	Recycling >80% <small>copper, aluminium and PVC</small>
Net debt / EBITDA <2.0	Illnes rate <4%	Waste <5%
Return on Capital Employed (ROCE) 22-25%	Strategic suppliers assessed >90%	Accident rate (LTIFR) <1.0

Application of the Policy in 2023

1 Basic salary (TRI)

Once a year, the Supervisory Board determines whether and by how much the base salaries need to be adjusted, taking into account market developments, the remuneration structures of similar companies in the reference group, TKH's results, and wage developments within the TKH Group. The base salaries have been increased by 5.5% with effect from January 1, 2023 based in part on the external assessment. The base salary for individual members of the Executive Board is below the median for the reference group and in accordance with the Remuneration Policy and intended position.

2 Performance bonus (STI)

Variable remuneration is an essential part of the remuneration package for Executive Board members in terms of rewarding short-term results in line with strategic objectives. The STI is based on annual financial and non-financial performance measures including personal targets. On the recommendation of the Remuneration Committee, the Supervisory Board sets the targets and criteria for earning a performance bonus in advance of the reporting year. Once the reporting year has ended, the size of the performance bonus is determined by the Supervisory Board,

based on the results achieved and the criteria set. Depending on the degree to which the targets have been met, the STI can range from 0% to (a maximum of) 60% of the TRI. Performance "at target" results in a performance bonus of 40% of the TRI. Differences in the STIs received by members of the Executive Board may be based on the final scores for their personal quantitative and qualitative targets.

STI performance of the Executive Board in 2023

The STI for members of the Executive Board based on achievement of the 2023 targets is presented in the table below. Payment of the variable remuneration to members of the Executive Board is subject to the condition that the targets upon which the performance bonus is based or the circumstances under which the bonus was originally determined, are accurate. For 2023, there was no full or partial recovery of a bonus as referred to in article 135 subsection 8.

A Financial targets and performance 2023 (80% weighting)

TKH achieved a turnover of € 1,847.5 million and EBITA of € 237.0 million in 2023. The performance, normalized for acquisition and divestments, resulted in a performance pay-out of 25.4% for turnover and 51.2% for EBITA.

B Sustainability/ESG targets and performance 2023 (10% weighting)

As part of the Accelerate 2025 strategic program, nine key sustainability/ESG targets have been defined for 2025 and 2030. Each KPI has the same weighting (1/9). The performance and progress in 2023 against the defined KPIs are as follows:

- 100% carbon neutrality of own operations (scopes 1 and 2) by 2030 (1/9 weighting): In 2023, a further reduction in the CO₂e footprint was achieved, resulting in a CO₂e footprint reduction of 64.3% compared to the reference year 2019 (2022: 42.7%). TKH is well on track to achieve the target of 100% by 2030 (scopes 1 and 2).
- <5.0% waste (1/9 weighting): Waste percentage compared to material usage is at 5.2%, which is close to the target of 5%. Waste as a percentage is in line with last year, despite the increased level of activities. The waste percentage for copper and aluminium was reduced in 2023. The waste percentage for plastics increased, which is mainly related to the product mix.
- >80% recycling (1/9 weighting): In 2023, 87.3% of the most important raw materials were recycled (2022: 88.0%). The small decrease was mainly related to the lower recycling rates for plastics.

Details actual payout level (STI)

Plan	Target	Bandwidth payout level				Targets			Performance						
		Weight	Minimum	On-target	Maximum	Threshold 0%	On-target 100%	Maximum 150%	Performance	Performance payout	Actual payout % of TRI	Minimum	On-target	Maximum	
STI 2022	Turnover (in millions)	30%	5%	30%	45%	€ 1,577	€ 1,856	€ 1,949	€ 1,848	25.4%	10.2%		●		
	EBITA (in millions)	50%	10%	50%	75%	€ 198	€ 233	€ 245	€ 237	51.2%	20.5%		●		
	Financial targets	80%	15%	80%	120%					76.6%	30.6%		●		
	Sustainability / ESG targets (9 KPIs)	10%	2.5%	10%	15%	See commentary				13.0%	5.2%				●
	Other and personal targets (4 KPIs)	10%	2.5%	10%	15%	See commentary				14.4%	5.8%				●
	Overall performance ratio	100%	20%	100%	150%					104.0%	41.6%		●		

Details Sustainability / ESG Targets

KPI	Target	Performance
Environment		
B1 Carbon neutrality own operations - target 2030 (1/9 weighting)	100%	64.3%
B2 Waste (1/9 weighting)	<5%	5.2%
B3 Recycling (1/9 weighting)	>80%	87.3%
Social		
B4 Diversity - target 2030 (1/9 weighting)	25%	19.2%
B5 LTIFR (1/9 weighting)	<1.0	0.75
B6 Illness rate (1/9 weighting)	<4%	3.85%
B7 Employee satisfaction (1/9 weighting)	>7.5	7.8
Governance		
B8 Strategic suppliers assessed (1/9 weighting)	>90%	91.9%
B9 Enhance sustainability policies and procedures (1/9 weighting)	enhanced	enhanced

- >25% female executive and senior management by 2030 (1/9 weighting): The share of women in executive and senior management teams increased in 2023 from 18.4% to 19.2% and is well on track to meet the target of 25% by 2030.
- <1.0 LTIFR (1/9 weighting): To make safety demonstrable, emphasis is placed on specific, measurable performance targets for safety measures, including LTIFR (Lost Time Injury Frequency Rate). Further action was taken on health and safety programs at the production facilities. The LTIFR figure for 2023 decreased slightly from 0.78 to 0.75 and is below the target of <1.0.
- <4.0% illness rate (1/9 weighting): The illness rate decreased from 4.04% to 3.85% and is below the target of <4.0%.
- >7.5 employee satisfaction (1/9 weighting): The employee

satisfaction score in 2023 of 7.8 was above the target of 7.5 and above last year's score (7.6). In addition, in 2023 more companies were included in the employee satisfaction survey.

- >90% of strategic suppliers assessed (1/9 weighting): 91.9% of the strategic suppliers have been assessed against the Code of Supply, exceeding the target of >90%.
- Enhance sustainability policies and procedures (1/9 weighting): Further important improvements have been implemented concerning the internal ESG dashboard and ESG policies. In 2023, the Sustainability Reporting Manual was updated and new CSRD requirements were partially integrated. Finally, assurance was obtained from EY for the key non-financial KPIs included in TKH's 2023 Annual Report.

Details other and personal targets

KPI	Target	Performance
C1 Execution Accelerate 2025 strategy program	Good progress	See commentary
C2 Financial position: net debt/EBITDA <2.0	<2.0	1.8
C3 Innovations >15% of turnover	>15%	16.1%
C4 Personal targets	See commentary	See commentary

The performance in 2023 against sustainability/ESG targets results in an overall performance ratio of 13.00%.

C Other and personal targets and performance in 2023 (10% weighting)

In addition to the financial and sustainability/ESG targets, four other and personal targets have been defined for 2023. Each KPI has the same weighting (1/4). The performance and progress in 2023 against the defined KPIs are as follows:

- Implementation of the Accelerate 2025 strategy program (1/4 weighting): In 2023, good progress was made on the implementation of the Accelerate 2025 strategic program. The € 200 million Strategic Investment Program is progressing according to plan, with no delays in the construction of the capacity expansions. TKH acquired Euresys, a leading high-tech developer and supplier of machine vision software, and completed the divestment of the connectivity distribution activities in France, allowing TKH to further focus its strategy on differentiation and innovation in smart technologies to create higher value.
- Financial position: net debt/EBITDA <2.0 (1/4 weighting): The net debt/EBITDA ratio, calculated in accordance with TKH's bank covenant, stood at 1.8, well within the financial ratio agreed with our banks and well within the target of 2.0.
- Innovation >15% of turnover (1/4 weighting): The innovations as percentage of turnover was 16.1%, above the target of 15%. TKH continued to invest in strengthening core technologies to secure the longer-term growth opportunities from the megatrends of automation, digitalization, and electrification.
- Personal targets (1/4 weighting): The personal targets defined for 2023 are related to specific business topics and relate to specific business issues and are not disclosed in detail due to (commercially) sensitive information.

The achievement of the other and personal targets results in 2023 results in an overall average performance ratio of

14.38%, consisting of the following performance ratios for each member of the Executive Board:

- 14.25% for J.M.A. van der Lof MBA
- 14.25% for E.D.H. de Lange MBA
- 14.63% for H.J. Voortman MSc

The total average performance in 2023 regarding sustainability/ESG and other and personal targets is 27.38% compared to the maximum of 30%.

D Overall performance 2023

The performance percentages times 40% generates the actual payout percentage of TRI. This resulted in award payouts in € 1,000 (STI) of the following values for:

- J.M.A. van der Lof MBA: $103.9\% \times 40\% \times \text{TRI} = 317$
- E.D.H. de Lange MBA: $103.9\% \times 40\% \times \text{TRI} = 238$
- H.J. Voortman MSc: $104.2\% \times 40\% \times \text{TRI} = 230$

3 Share plan (LTI)

The long-term variable remuneration aims to align the interests of the Executive Board members with the long-term interests of TKH's shareholders. For that purpose, a share plan was enacted that provides for a long-term incentive (LTI). Under the share plan, members of the Executive Board receive shares based on the achievement of targets.

Conditions and personal investment by the members of the Executive Board

Members of the Executive Board receive shares on the condition that they personally invest in the same number of shares as they receive under the LTI plan. By personally investing in the same number of shares as they are awarded under the LTI, each member of the Executive Board invests a significant amount of money in a way that prudently manages risk but still encourages an entrepreneurial spirit to create long-term value. As a result, the interests of the Executive Board and the shareholders remain aligned.

The shares in question are to be held as a long-term

investment and may not be transferred for a period of three years after having been granted. The share plan involves a financial investment by the Executive Board because the individual members must buy the same number of shares as they receive under the LTI. Due to this financial investment for the members of the Executive Board, it is stipulated that the shares must be held for at least three years, as this plan requires a private investment commitment from the individual members of the Executive Board.

KPIs and multipliers

The amount of remuneration depends on the performance on the following KPIs:

- Return on Capital Employed (ROCE)
- Return on Sales (ROS)
- Stock price developments for TKH shares compared to the AMX index of Euronext Amsterdam (relative stock price developments)

The development of the ROS and ROCE in relation to the pre-defined targets, as well as the share price development over the past three years in relation to the AMX index, which is relevant for the company, may result in a share allotment. The focus of the company's strategy is to increase the ROS and ROCE through growth in activities related to high-end technologies where relatively high margins can be achieved. The ROS and ROCE are important criteria for monitoring the implementation of the differentiating power that the company is developing with the technology base of the group and the ongoing transformation towards achieving the ROS and ROCE targets. Furthermore, the development of the company's share price in relation to the AMX index is an important confirmation of the shareholders' appreciation of the strategy and of the Executive Board's alignment with the goals of long-term shareholders. The performance period for ROS and ROCE is one year, and the performance ranges are determined at the beginning of the year, taking into account the medium-term targets. The

performance period for the relative stock price development is three years. For the 2023 allocation, this entailed reviewing the period from January 1, 2021, to December 31, 2023.

- The applicable performance range for the ROS is 0.50 to 1.50, with an "at target" level of 1.0. The score received for this KPI generates the "multiplier A".
- The applicable performance range for the ROCE is also 0.50 to 1.50, with an "at target" level of 1.0. The score for this KPI is also equal to "multiplier B".
- The performance range for the relative stock price developments runs from 0.75 to 1.5, with an "at target" of 1.0. This score is converted into "multiplier C", which ranges from 0.5 to 1.8, with 1.0 being the "at target" multiplier.

Multipliers are calculated for each KPI to determine the amount of the allocation for the total LTI. These multipliers are then multiplied by the standard allocation. The standard award is net and equivalent to 50% of the TRI. The gross value of the standard award is thus approximately equal to the TRI. The minimum payout of an LTI award in any given year is 0.25 x the standard award. In that case, the members of the Executive Board must also personally invest 0.25 x the standard allocation. This is an important factor in creating long-term value and continuity for the company, and it aligns the interests of the Executive Board with those of shareholders. The maximum payout is 2.7 x the standard award.

Performance 2023

The following multipliers were achieved for each KPI based on actual overall performance against the performance ranges.

TKH achieved an ROS of 12.8% in 2023, resulting in a multiplier for ROS (A) of 1.13. The ROCE in 2023 was 19.8%, resulting in a multiplier for ROCE (B) of 1.5, the maximum. The multiplier for the relative stock price developments (C) was 1.02 based on the stock price development of TKH shares compared to the AMX index of Euronext Amsterdam

Details actual payout level (LTI)

Plan	Target	Bandwidth payout level			Targets			Performance			Performance		
		Minimum multiplier	On-target multiplier	Maximum multiplier	Threshold 0%	On-target 100%	Maximum 150%	Performance	Performance multiplier	Actual payout % of TRI	Minimum	On-target	Maximum
LTI 2022	A ROS	0.50	1.00	1.50	11.6%	12.6%	13.6%	12.8%	1.13				
	B ROCE	0.50	1.00	1.50	17.8%	18.8%	19.8%	19.8%	1.50				
	C Relative stock price development	0.50	1.00	1.80	0.50	1.00	1.80	index 1.01	1.02				
Overall performance ratio		Performance multiplier: A*B*C						1.73	86%				

over the last three years (index of 101%). These multipliers for each KPI resulted in a total multiplier for the LTI of 1.73 ($A*B*C = 1.13*1.50*1.02$), which meant that 1.73 x of the standard award was granted.

This resulted in award payouts in € 1,000 of the following net values for:

- J.M.A. van der Lof MBA: $1.73 \times 50\% \times \text{TRI} = 662$
- E.D.H. de Lange MBA: $1.73 \times 50\% \times \text{TRI} = 497$
- H.J. Voortman MSc: $1.73 \times 50\% \times \text{TRI} = 478$

Members of the Executive Board receive shares on the condition that they personally invest in the same number of shares as they receive under the LTI plan. This results in a

personal investment in € 1,000 in TKH certificates of shares with the following values for:

- J.M.A. van der Lof MBA: 662
- E.D.H. de Lange MBA: 497
- H.J. Voortman MSc: 478

The corresponding gross values are listed in the table showing “total remuneration” in section 6 of this Remuneration Report. The number of certificates of shares associated with the net award will be calculated based on the average closing price over the three trading days following the time of publication of the annual figures. The awarded shares as well as the individually purchased shares in accordance with the LTI plan are included in the Executive Board share ownership table.

No option rights are awarded to members of the Executive Board. Any option rights held by a member of the Executive Board were acquired during the period in which he was already employed by TKH but had not yet become a member of the Executive Board. These option rights can be exercised in accordance with the TKH share option scheme during the applicable exercise periods. In this respect, H.J. Voortman has option rights that apply to the period before he became a member of the Executive Board. The movement and balance of the outstanding option rights awarded to him are shown in the table below. For more information on the share option scheme, we refer you to note 24 in the annual financial statements.

4 Pensions

The Remuneration Committee is responsible for ensuring that the members of the Executive Board are provided with a pension that is in line with market practice and consistent with the provisions made for similar positions. In addition, the pension arrangements include the right to benefits in the event of poor health or disability, and a widows’ and orphans’ pension in the event of death. All this is provided on terms and conditions comparable to those applicable to participants in the collective pension fund – i.e. the company’s employees. The associated costs, up to the maximum allowed under tax law, are included in pension costs. The pension compensation refers to any portion exceeding the maximum allowed under tax law (2023: € 128,810).

Executive Board share ownership

	Balance 1/1	Awarded shares	Individually purchased shares	Disposal (at least 3 years in portfolio)	Balance at 31/12
J.M.A. van der Lof MBA					
2022 ¹	122,147	14,373	14,373	-32,746	118,147
2023 ¹	118,147	6,547	6,547	-18,594	112,647
E.D.H. de Lange MBA					
2022 ¹	95,789	10,780	10,780	-32,340	85,009
2023 ¹	85,009	4,910	4,910	-14,730	80,099
H.J. Voortman MSc					
2022 ¹	26,153	9,782	9,782	-9,782	35,935
2023 ¹	35,935	4,456	4,456	-4,456	40,391

¹ Achieved in the previous financial year and paid out in the following financial year.

Option rights H.J. Voortman MSc

Year of award	Exercise price in €	Number as at 01-01-2023	Awarded during the year	Movement during the year	Expired during the year	Exercised during the year	Number as at 31-12-2023	Exercise period
2018	52.25	8,400			-8,400		0	2021-2023
Total		8,400	0	0	-8,400	0	0	

5 Other employee benefits

The members of the Executive Board are entitled to certain business allowances in accordance with what is generally accepted within the TKH organization, and limited to an expense allowance, car, and (mobile) telephone. No loans, advances, or guarantees are provided to members of the Executive Board. Additional governance-related activities are not subject to any additional conditions or remuneration.

6 Total remuneration

The table below lists the various gross remuneration components and relative percentages of fixed and variable remuneration of the members of the Executive Board.

7 Pay ratio

In formulating the Remuneration Policy for the Executive Board, one of the factors the Supervisory Board takes into account is the organization's pay ratio. The Supervisory Board believes that there should always be a reasonable balance between the remuneration of the members of the

Executive Board and the remuneration of the other employees. The internal pay ratio is understood to mean the ratio between the total annual remuneration of the CEO on the one hand, and, on the other hand, the average annual remuneration of the employees of the company and group companies whose financial data are consolidated by the company, where:

- The total annual remuneration of the CEO includes all the remuneration components (such as fixed remuneration, variable cash remuneration (bonus), the share-based part of the remuneration, social contributions, pension, expense allowance, etc.) included in the consolidated annual accounts on an IFRS basis.
- The average annual remuneration of the employees is determined by dividing the total wage costs for the financial year (as included in the consolidated annual accounts on an IFRS basis) by the average number of FTEs during the financial year. The labor mix had an important impact on the average total remuneration of employees in 2023, in addition to inflation effects.

- The value of the share-based component of the remuneration is determined at the grant date in accordance with the applicable rules under IFRS.

The pay ratio for 2020 is significantly lower due to the lower value of STI and LTI as part of the remuneration. This led to a significant reduction in remuneration in 2020 and, consequently, to a relatively low pay ratio for 2020. The pay ratio for 2022 is lower compared to 2021 due to the lower value of LTI, mainly as a result of a lower multiplier for the relative stock price development. The pay ratio for 2023 is 43.0 and higher compared to 2022, mainly due to the higher value to the LTI.

8 Comparative information on remuneration and company performance

The table on the next page shows a five-year comparison of the changes in the remuneration of the Executive Board and the company's performance.

Total Remuneration Executive Board

	Basic salary (TRI)		Variable income (STI) ¹		Share plan (LTI) ¹		Pension		Pension compensation		Total		Variable share in the total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
J.M.A. van der Lof MBA	763	723	317	423	1,135	512	50	44	222	198	2,487	1,900	58.4%	49.2%
E.D.H. de Lange MBA	573	542	238	318	852	384	23	22	79	76	1,764	1,342	61.8%	52.3%
H.J. Voortman MSc	552	492	230	287	821	348	23	22	75	67	1,700	1,216	61.8%	52.3%
Total remuneration	1,887	1,758	785	1,028	2,808	1,244	95	88	376	341	5,951	4,458	60.4%	51.0%

¹ Achieved in the previous financial year and paid out in the following financial year. As amounts are expressed in thousands of euros, totals may not add up precisely due to rounding.

Comparative information on Remuneration and Company performance

(in € 1,000 unless stated otherwise)	2023	2022	2021	2020	2019
Remuneration Executive Board ¹					
J.M.A. van der Lof MBA	2,215	1,658	2,237	902	1,134
E.D.H. de Lange MBA	1,663	1,244	1,678	676	850
H.J. Voortman MSc	1,603	1,127	1,523	614	772
Company performance					
ROS	12.8%	12.9%	12.4%	10.5%	11.6%
Organic turnover growth	3.2%	18.0%	15.9%	-9.9%	-1.9%
EBITA	237	235	190	129	154
CO ₂ e reduction (vs. 2019)	64.3%	42.7%	29.8%		
CO ₂ e reduction (vs. 2015)				5.8%	5.4%
Illness rate of employees	3.85%	4.04%	3.56%	3.51%	3.26%
Average remuneration per FTE	58	57	55	50	49
CEO pay ratio	43.0	33.7	45.3	22.4	27.0

¹ Based on TRI, STI, and LTI.

9 Personal loans

The company does not grant personal loans or guarantees to Executive Board members.

10 Change of control

There is no "change of control" clause in the employment contracts of the members of the Executive Board.

11 Severance pay

The maximum severance payment in the event of dismissal is one year's salary (TRI). No severance pay is made in the event of premature termination of the contract by the member of the Executive Board or in the event of willful misconduct or negligence on the part of the member of the Executive Board.

Remuneration Policy of the Supervisory Board

This policy aims to provide a competitive compensation package to attract, motivate, and retain qualified members of the Supervisory Board for a publicly listed company, while taking into account the size and unique characteristics of the company. TKH is a leading technology company focused on advanced innovative technology systems in high-growth markets. The company strives to be an attractive employer and a solid investment for its shareholders, with corporate social responsibility forming a central part of this. This policy was developed in the context of national and international market trends and in line with legal requirements, best practices in corporate governance, the social context of remuneration practices, and the interests of the company's shareholders and other stakeholders. The remuneration package was reviewed for market conformity in 2023 and will be reviewed at least once every three years on the basis of information provided by external experts.

The company's Remuneration Policy is guided by the principles of equity and transparency. The remuneration structure is designed to encourage the satisfactory performance of the Supervisory Board members' duties and is not dependent on the company's financial results. The Supervisory Board acknowledges its responsibility to act in accordance with the identity, mission, and core values of the company. In this context, it has been decided to opt for fixed compensation without any variable remuneration components to ensure that members can remain independent and objective in fulfilling their role of implementing the company's corporate strategy and objectives, and creating long-term value and sustainability for the company. The full Remuneration Policy is available on the TKH website.

Application of the Policy in 2023

1 Remuneration

The Remuneration Policy aims to reward members of the Supervisory Board in line with the market, based on their activities, experience, and the related allocation of tasks within the Board and its committees. The remuneration is periodically assessed externally with the same reference group as for the Executive Board. The remuneration of a member of the Supervisory Board is not linked to the company's performance. No shares and/or rights to shares are granted to members of the Supervisory Board. Any shares held by a member of the Supervisory Board are for long-term investment purposes. The General Meeting of Shareholders adopted the remuneration of the Supervisory Board in 2020, with effect from January 1, 2020.

The remuneration of the Supervisory Board is based on the following amounts:

Chairman of the Supervisory Board	€ 65,199
Member of the Supervisory Board	€ 48,899
Chairman of the Audit Committee	€ 10,867
Member of the Audit Committee	€ 7,607
Chairman of the Remuneration Committee / Selection and Appointment Committee	€ 8,693
Member of the Remuneration Committee / Selection and Appointment Committee	€ 6,520

The remuneration of the Supervisory Board has been increased by 5.5% with effect from January 1, 2023 based in part on the external assessment. If circumstances require members of the Supervisory Board to perform significantly more activities than usual, they will receive a fee of € 1,000 per half-day for these activities. The chairman and the composition of the committees changed in the past year. Mr. Oosterveer was appointed chairman of the Supervisory Board, succeeding Mr. Van Iperen. Mr. Van Iperen has requested to step down from his position as chairman of

Total remuneration Supervisory Board

(x € 1,000)	Regular remuneration	Remuneration membership committees	Total 2023	Total 2022
P.W.B. Oosterveer ¹ , <i>chairman</i>	52	10	62	36
R.L. van Iperen	62	13	75	69
J.M. Kroon	49	14	63	60
C.W. Gorter	49	19	68	64
A.M.H. Schöningh	49	7	56	52
A.J.P. De Proft ²				23
Total remuneration	261	63	324	304

1 As of May 2022.

2 Up to and including May 2022.

As amounts are expressed in thousands of euros, totals may not add up precisely due to rounding.

the Supervisory Board for health reasons. Mr. Van Iperen will continue to serve as a Supervisory Board member and will retire according to the applicable schedule of retirement, as originally planned, reaching the maximum term of office at the AGM 2024.

2 Total remuneration

The table on the right lists the total remuneration paid to individual members of the Supervisory Board.

Comparative information on remuneration

(x € 1,000)	2023	2022	2021	2020	2019
P.W.B. Oosterveer ¹ , <i>chairman</i>	62	36			
R.L. van Iperen	75	69	53	53	53
J.M. Kroon MBA	63	60	58	58	57
C.W. Gorter	68	64	60	58	52
A.M.H. Schöningh ²	56	52	51	34	
A.J.P. De Proft ³		23	68	68	68
P.P.F.C. Houben ⁴			23	55	55
Total remuneration	324	304	313	326	285

1 As of May 2022.

2 As of May 2020.

3 Up to and including May 2022.

4 Up to and including May 2021.

3 Share ownership of the Supervisory Board

The current members of the Supervisory Board do not own any (depository receipts for) shares in TKH.

4 Comparative information on remuneration

The table below shows a five-year comparison of the changes in the remuneration of members of the Supervisory Board.



Smart Connectivity systems

Corporate Governance

TKH Group N.V., a public limited liability company under Dutch law, applies the two-tier board regime. The management of the company is delegated to the Executive Board under the supervision of the Supervisory Board. The general powers of the Executive Board derive from legislation and regulations, and are laid down in TKH's articles of association. The Executive Board and the Supervisory Board are responsible for the Corporate Governance structure of TKH and compliance with the Dutch Corporate Governance Code ("Code").

The Dutch Corporate Governance Code was revised and published on December 20, 2022. This Code applies to the financial year beginning on or after January 1, 2023. The revised Code has been discussed within the Executive Board and Supervisory Board, and the changes compared to the previous Code have been implemented. For example, the issue of stakeholder engagement has been re-evaluated and an amended policy has been published on the website.

TKH applies the principles and best practice provisions of the Code and attaches great value to the Code. In a few cases, TKH deviates from the Code; the reasons for each of these deviations are described below.

Term of appointment of the Executive Board

The terms of appointment for the current CEO and CFO are not limited to the four-year term prescribed by the Code. TKH takes the position that contractual agreements made in the past cannot be modified, that existing employment contracts should be respected, and that the limitation of the appointment is not appropriate. It should be noted, however, that performance is assessed annually and the term of appointment is evaluated on an ongoing basis.

However, the maximum four-year term of appointment does apply to the third member of the Executive Board. A maximum term of four years also applies to newly appointed members of the Executive Board, and the best practice provision is applied in such cases.

Share plan

There is a share plan for the Executive Board, but no share option scheme. The share plan involves a financial contribution by the Executive Board as the individual members have to purchase the same number of shares as they are awarded within the framework of the plan. Because this involves a financial contribution from Executive Board members, it has been determined that the shares must be held for at least three years. Additionally, as this scheme requires a private investment obligation of the individual members of the Executive Board, the Supervisory Board believes that it is reasonable and fair to adhere to a term of three years, and not a term of five years.

Internal Audit function

TKH has an Internal Audit function, but the position of this department has not been fulfilled completely independently

in accordance with the Code. The Internal Audit team has been expanded in early 2024, which will further strengthen its independent position. According to best practice provision 1.3.2 of the Code, the functioning of the internal audit function should be assessed at least every five years by an independent third party. The evaluation of the Internal Audit function is conducted internally on a yearly basis. The external evaluation is scheduled for 2025.

General Meeting of Shareholders

A General Meeting of Shareholders is held annually. Extraordinary General Meetings are held as often as the Executive Board or Supervisory Board deems desirable and also as often as shareholders and/or holders of depositary receipts, representing at least 10% of the issued capital, request the Executive Board or Supervisory Board in writing to do so, specifying the items to be discussed. With regard to invoking a response time concerning proposals for fundamental strategy changes, TKH has applied the legal provision in Article 2:114b of the Dutch Civil Code with regard to a 250-day reflection period, above the 180 days specified in the Code. The basic principle here is to ensure that the operation and effectiveness of the measures that companies can take to respond adequately to proposals for fundamental strategy changes are safeguarded.

Depository receipts of shares

Stichting Administratiekantoor TKH Group (“TKH Trust Foundation Office”) holds ordinary shares in the company. In exchange for these shares, TKH Trust Foundation Office issues depositary receipts for those shares. The voting rights to the shares are vested in TKH Trust Foundation Office. Upon request, TKH Trust Foundation Office will authorize the holders of depositary receipts to vote for the shares for which the holder holds depositary receipts at

a General Meeting specified in the proxy, to the exclusion of TKH Trust Foundation Office. The authorization is unrestricted and is therefore not subject to any exchange-ability limit. TKH Trust Foundation Office is not required by law (article 2:118a of the Dutch Civil Code) to grant the proxy, and may withdraw a proxy that has been given if a) a hostile public offer is announced or made (or is expected to be made), b) one or more persons possess at least 25% of the depositary receipts and/or shares, or c) in the opinion of TKH Trust Foundation Office, the voting right of a holder of a depositary receipt is fundamentally in conflict with the interest of the company. In the event of one of these scenarios, TKH Trust Foundation Office must notify the holders of depositary receipts and explain the reasons behind their actions. The company considers the issue of depositary receipts for shares as an important measure to protect the interests of shareholders, holders of depositary receipts and other stakeholders. This means that the company’s intellectual property and its commercial interests are protected, which is also important for sustainable long-term value creation for our stakeholders. Although the Code states that the issue of depositary receipts is not intended to be used as a protective measure, TKH expressly chooses to take this form of protective measure and acts in accordance with the applicable law in Article 2:118a of the Dutch Civil Code. This is in derogation of the principle of the Code.

TKH Trust Foundation Office exercises the rights attached to the shares in such a way that the interests of the company, its associated businesses, and all its stakeholders are protected to the greatest extent possible, instead of focusing primarily on the interests of the holders of depositary receipts, as defined in best-practice provision 4.5.5 of the Code. The TKH Trust Foundation Office thus

exercises its voting right in line with legal provision Article 2:118a of the Dutch Civil Code. In the General Meeting of Shareholders, the Board of TKH Trust Foundation Office may, on request, issue a statement of its intended voting conduct. A detailed explanation of TKH’s Corporate Governance structure can be found on the TKH website.

Risk Management

The Executive Board is responsible for complying with all relevant primary and secondary legislation and for managing the risks associated with the company’s activities through the implementation of appropriate internal risk management, control, and auditing systems. This involves surveying and analyzing the risks related to the company’s strategy and activities, establishing the risk appetite, and defining the necessary measures to manage and monitor the risks. The Executive Board is accountable to the Supervisory Board for setting up effective and well-functioning internal risk management and control systems.

Risk Management structure

TKH has embedded its risk management policy in all levels of the organization. This involves using risk management and control systems that contain the following key components:

- An Internal Control Framework (ICF) based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2017). TKH uses this framework to analyze and evaluate the strategic, operational, financial, and compliance risks for its operating companies.
- The TKH Manual containing:
 - regulations and guidelines for decision-making procedures and authorization levels for the management of our operating companies;
 - guidelines on the treasury policy (cash and foreign exchange management), as well as various rules of conduct, such as policy approval procedures, a Code of Conduct for staff members, a whistleblower procedure, and a privacy policy; and

- guidelines for internal management and control measures including IT controls, internal and external financial reporting, insurance, and how to deal with claims.
- A “strategic scorecard”, which is issued every quarter or more frequently if necessary. It features “high-lights” and “low-lights”, and (potential) risks per business segment. It also contains related short- and medium-term action points for discussion between the Executive Board and management of the operating companies.

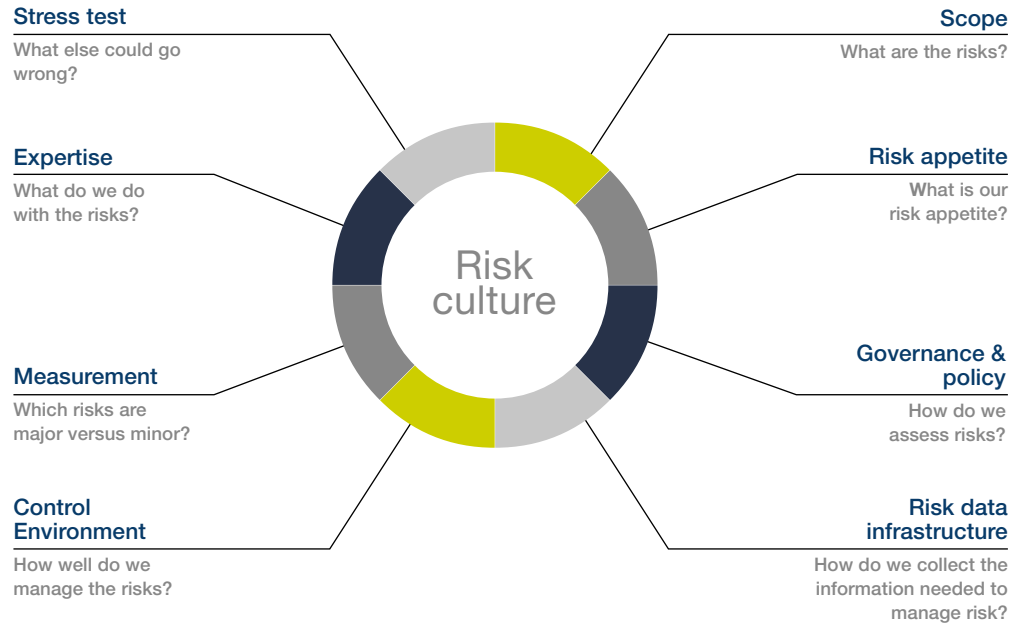
TKH’s risk management policy reflects the organization’s size and decentralized structure. The components of this risk management policy are assessed by Internal Audit, focusing only on continuing operations. The main risks of each operating company are identified and analyzed, and their potential impact on the operating company is determined. For specific issues, including IT & Security,

external specialists are engaged on a project basis. The results of these assessments are discussed with the Executive Board. The most important findings of the assessments conducted by Internal Audit are discussed with the Audit Committee of the Supervisory Board. We follow the guidelines of the Institute of Internal Auditors (IIA) to ensure the internal audit function meets the IIA standards as closely as possible.

The Executive Board, internal Legal Advisor, Director Finance & Control, Tax Director, and Compliance Officer also evaluate the risk management system. The design and operation of the risk management and control systems for financial reporting are also assessed by the external auditor in the context of the audit of the financial statements. The outcome and impact on the external auditor’s audit strategy are discussed with the Executive Board and the Audit Committee.

Risk Management structure





Risk culture

An open, transparent culture with sufficient critical capacity is a prerequisite for an organization to properly manage risks, responsibilities, and competencies. TKH considers a suitable risk management model to be an important tool for creating sustainable long-term value. A continuous focus on risk awareness is a key element of TKH’s culture. The pursuit of a balanced risk profile is embedded in this culture through short lines of communication and is supported by closely monitoring agreed objectives through a comprehensive Key Performance Indicator (KPI) dashboard.

Employees are expected to be aware of the core values underlying our actions and our risk profile and to feel responsible for the (potential) risks they take. They are also expected to adhere to the principles of TKH’s culture and to act in accordance with TKH’s Code of Conduct. At the same

time, we are committed to ensuring a safe work environment in which our employees can excel, regardless of their background, gender, or position. The Code of Conduct is fundamental to everything we do and describes how we act as a company and within the company, how we make decisions, and how we deal with different dilemmas. The Code of Conduct is published on our website. We have established a procedure that enables employees to report any suspicion of conduct that is unlawful and violates the Code of Conduct, including behavior related to sexual harassment, gender inequality, and abuse of power. Reports are reviewed and investigated by the local Confidential Officer and/or the Group Compliance Officer. If deemed necessary, disciplinary and mitigating measures are taken. External parties can also report to the Group Compliance Officer.



Smart Manufacturing systems

Developments in 2023

In 2023, we evaluated our internal risk management system and made several improvements. The activities carried out by Internal Audit did not lead to any material findings at group level with regard to the administrative organization and internal control. When deficiencies in the administrative organization and internal control are observed, areas for improvement are identified. The 2023 findings included the payment process, supplier master data management, minor reconciliation differences in financial and sustainability reporting and internal controls carried out including documentation. Continuous monitoring enables us to adapt the internal risk management and control system to changing internal and external conditions as necessary. In 2023, we focused on further embedding the Internal Control Framework in our operating companies and on further standardizing controls within the operating companies.

For operating companies whose size, technology, and risks, such as privacy and reputation, are important in the context of implementing the TKH strategy, IT & Security risks have been identified and recommendations have been made to further mitigate these risks. These risks and their follow-up are frequently discussed with the Executive Board and the Audit Committee. Several security incidents occurred during the year under review. By responding in a timely manner with a team of cybersecurity experts, we ensured that these incidents did not result in significant data leaks, cause significant or permanent damage, or impact business continuity. However, these incidents confirm the need to be constantly vigilant to IT & Security risks. In 2023, we placed increasing emphasis on the risk of ransomware and our resilience should such an event occur. Furthermore, we have carried out an initial analysis of the impact of the EU NIS2 Directive.

In 2023, we continued to review non-financial KPIs with a focus on the non-financial KPIs included in TKH's Annual Report 2023. The reviews identified further areas for improvement and optimization, which were addressed properly at various levels of the group. No material deficiencies were identified. We also continued to develop the review activities related to non-financial information including preparation for the inclusion of enhanced requirements related to the Corporate Sustainability Reporting Directive (CSRD) and related European Sustainability Reporting Standards (ESRS), which will apply from 2024.

Finally, in 2023 we performed specific internal audits on the implementation of the Tax Control Framework related to VAT at selected operating companies in the Netherlands. We also paid specific attention to the application of the sanctions regulation by operating companies with the highest risk due to their international customer base.

Risk profile and risk appetite

We have identified the most important risks and divided them into four categories: strategic risks, operational risks, financial and reporting risks, and compliance risks. For each risk, we then assess its potential impact on the organization and the probability that this risk will occur. The impact includes financial and non-financial factors such as reputation.

It is the duty of the Executive Board to weigh the business opportunities against the expectations and interests of stakeholders. Decisions to change or refine our business models are made by the Executive Board in accordance with TKH's risk appetite. A balance is explicitly sought between acceptable risk, on the one hand, and entrepreneurship conducted in the context of long-term value creation, on the other hand.

Risk overview

As part of the strategic process, we have identified four strategic pillars:

- Innovation and technology leadership
- Passionate, talented, and qualified people
- Sustainability
- Solid financial position

Based on these strategic pillars, we have determined our strategic direction and defined specific objectives to manage the strategic process. The risk connectivity matrix shows the most important risks for TKH and the pillar from which these risks are addressed. In addition, a link has been made with the materiality themes for TKH and our stakeholders, as shown in the materiality matrix (see the Stakeholders section).

Other relevant risks

In addition to the key risks included in the risk connectivity matrix, we have identified other risks that are also included in TKH's internal risk management system. These include, among other things, the following risks:

- Disasters in production facilities e.g. accidents in production facilities that threaten business continuity.
- Infringement of intellectual property (IP) rights of and by third parties.
- Inadequate funding.
- Impact of a (global) pandemic on the world economy, the (end) markets in which TKH is active, and its business operations.

Risk connectivity matrix – Our main risks

risk area	risk category and topics	risk description	strategic pillar	material themes	risk trend	risk appetite
Strategic	1. Market & Geopolitics <ul style="list-style-type: none"> Geopolitics Conflict Russia-Ukraine Market developments Recession 	Influence of global economic, market and geopolitical developments on the execution of the strategy and financial position and results of TKH.	Solid financial position	1 Financial track record & performance	▲	●
	2. Portfolio <ul style="list-style-type: none"> Innovation Technology development 	Threat to TKH's long-term value creation due to insufficient technology development and innovation.	Innovation and technology leadership	2 Technological innovations 3 Sustainable capital allocation (in alignment with SDGs)	=	●
	3. M&A agenda <ul style="list-style-type: none"> Acquisitions Integration Divestments 	Failure to successfully integrate (acquired) and/or divest companies can result in lower than expected profit contribution and the risk of impairment. Changing M&A market circumstances (e.g. interest developments) can impact (the timing of) our divestment and growth strategy program.	Solid financial position	1 Financial track record & performance	=	●
Operational	4. Sustainability <ul style="list-style-type: none"> CO₂ footprint Waste management Climate change ESG (CSRD) SDGs 	Possible impact of climate change on our strategy and business model. Unsustainable business operations can have an adverse effect on the environment as well as on the (future) business. Future implementation of CO ₂ tax/pricing could mean an increase in operational and compliance costs. Non-compliance with ESG and CSRD topics and not meeting ESG and CSRD targets can impact our operations and reputation.	Sustainability	3 Sustainable capital allocation (in alignment with SDGs) 6 Responsible production 7 Resource efficiency (incl. waste & circularity) 8 Climate change & CO ₂ footprint 9 Responsible procurement	▲	●
	5. IT & Security <ul style="list-style-type: none"> IP protection Continuity of operations Cybersecurity Privacy and GDPR 	Risk of breach of data availability, confidentiality, and integrity (including IP).	Innovation and technology leadership	17 Privacy & IT Security	▲	●
	6. Personnel <ul style="list-style-type: none"> Scarcity Development opportunities Healthy and safe work environment 	Scarcity of well-qualified personnel and inability to retain qualified personnel. Health and safety incidents can cause risks for employees and lead to business stagnation. Inability to reach young potential employees can result in shortage of staff.	Passionate, talented, and qualified people	10 Sustainable employment 11 Health & safe work environment 12 Employee satisfaction 13 Personal development opportunities 14 Diversity & inclusiveness	=	●
	7. Supply Chain <ul style="list-style-type: none"> Raw materials Components Energy 	Important raw materials such as copper, aluminum and plastics, and technical (electronic) components have long delivery times or are unavailable or only available in limited quantities. Also, limited availability of (green) energy results in (potential) shortages of energy and higher price levels.	Solid financial position	1 Financial track record & performance 5 Market & geopolitics (supply chain, inflation & Ukraine war) 7 Resource efficiency (incl. waste & circularity)	▼	●
	8. Project Management	Risk of projects not being delivered according to specification, agreements, time schedule, and planned margins.	Solid financial position	1 Financial track record & performance	=	●
Financial and reporting	9. Currencies	Volatility of currencies, which can put pressure on profit margins.	Solid financial position	1 Financial track record & performance	=	●
	10. Interest	Volatility of interest rates, which can put pressure on net result.	Solid financial position	1 Financial track record & performance	★	●
	11. Cost inflation <ul style="list-style-type: none"> Raw materials Components Labor costs Energy costs 	Inflation of costs, including (volatility of) raw material prices, components and labor costs, which can put pressure on profit margins.	Solid financial position	1 Financial track record & performance 5 Market & geopolitics (supply chain, inflation & Ukraine war)	=	●
	12. Reporting <ul style="list-style-type: none"> Financial reporting Non-financial reporting 	Risk that TKH's financial and non-financial reporting contains material errors, and that new reporting requirements cannot be met timely and accurately.	Solid financial position	1 Financial track record & performance 15 Integrity, compliance & human rights	=	●
Compliance	13. Legal & Regulatory <ul style="list-style-type: none"> Sanctions Fraud, bribery, corruption Use of agents Non-compliance with law and regulations Human rights, child labor 	Damage (including reputation) due to violation of legislation and regulations including export and sanctions regulations, unfair competition, fraud, corruption, and bribery.	Sustainability	15 Integrity, compliance & human rights	=	●
	14. Tax	Damage (including reputation) due to violation of tax legislation and regulations.	Solid financial position Sustainability	1 Financial track record & performance 15 Integrity, compliance & human rights	=	●

▲ increased = equal ▼ decreased ★ new in 2023 ● avoiding ● low ● medium ● high

Strategic

1 Market & Geopolitics

The impact of global economic and geopolitical developments (such as the Russia-Ukraine war) on the implementation of the strategy and the financial position and results of TKH. Economic and political confrontations between world powers (trade tariffs, availability and price of energy), the erosion of trade agreements, and the impact of (global) inflation as well as a potential recession may impact TKH's turnover and results.

Our specific risk mitigation measures:

- Diversification of activities across multiple product/market combinations.
- Internal efficiency programs and cost reduction programs.
- Energy reduction programs and conversion to alternative energy sources.
- Flexible shell by making use of temporary staff and by outsourcing the production of mainly commodity products and product modules.
- Geographical spread across Europe, North America, and Asia with multiple production sites, with a tendency to bring production capacity closer to end markets where possible.
- Solid financial balance sheet and position.
- Ongoing attention to risk analysis in the implementation of the strategy and strategy transformation program.

2 Portfolio

Insufficient technological development and innovation can threaten TKH's long-term value creation. These risks may emerge in the following areas:

- The pace of technological development.
- Conservatism in certain end markets to embrace our new disruptive technologies.
- The execution of the R&D roadmap.
- Our competitor's new technologies.
- Our payback capacity.

- The harmonization of niche specifications into standardized commodity products and technologies.

Our specific risk mitigation measures:

- Generate at least 15% of our turnover from innovations that have been introduced in the last two years.
- Acquisitions to strengthen market position and/or product portfolio.
- Spend approximately 4% of our turnover on R&D in the last few years.
- Focus continuously on innovation and executing the roadmap, including time-to-market.
- Ensure that the Executive Board and local management frequently discuss technology and innovation developments.
- Capitalize on technology leadership by leveraging and accelerating growth from innovations and by utilizing the R&D pipeline. Bring key innovations to maturity with targeted profitability and limit the number of new and large "start-up" projects.
- Increase our market share by unlocking the full potential of our innovations and disruptive technologies by capitalizing on market growth driven by relevant megatrends.

3 M&A Agenda

Failure to successfully integrate acquired companies or execute divestments of business activities can result in lower-than-expected profit contributions and the risk of impairment. Changing M&A market circumstances (e.g. interest rate developments) may impact (the timing of) our divestment and growth strategy program.

Our specific risk mitigation measures:

- Apply necessary procedures and guidelines and organize sufficient expertise for valuations and due diligence.
- Ensure rapid integration of acquired companies into TKH's reporting and control systems.

- Harmonize business processes and systems where necessary and desirable.
- Continue to focus on identifying, creating and exploiting synergies.
- Ensure continued focus on portfolio management. Restructure or exit activities with limited potential for value creation: limited strategic fit, low return on sales, and organic growth potential.

Operational

4 Sustainability

The potential impact of climate change and other relevant sustainability topics such as CO₂ emissions and waste management on our strategy, business model, and reputation. Unsustainable business operations have an adverse effect on the environment and on the (future) business. Future implementation of CO₂ tax/pricing could mean an increase in operational and compliance costs.

Our specific risk mitigation measures:

- Based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we are carrying out a comprehensive analysis of potential climate change risks and how these risks can be converted into opportunities.
- Continue to optimize our production processes via our operational excellence program.
- Deliver a strong performance on our ESG targets, in particular CO₂ neutrality by 2030 (Scopes 1 and 2), and further develop a sustainable portfolio based on SDG criteria.
- Improve relevant ESG ratings by external rating agencies.
- Diversity and inclusiveness program.
- Continue to work towards achieving our waste reduction and recycling target so we can make a responsible and demonstrable contribution to the circular economy.
- More information can be found in the “Sustainability Statements” section.

5 It & Security

IT & Security concerns the risk of a breach of data availability, confidentiality, and integrity (including IP). This also includes cyberattacks that compromise data (including IP) to disrupt business operations and infrastructure. The following elements are important in this respect:

- A decentralized IT landscape.
- The use of multiple ERP systems.

- The continuity of production sites.
- The protection of developed technologies (IP protection).
- Data protection legislation, including GDPR.

Our specific risk mitigation measures:

- TKH has issued guidelines outlining the requirements for an ICT infrastructure, including key IT controls, partly within the context of cybercrime risks.
- Companies in the same region or cluster are encouraged to achieve economies of scale in the field of ICT.
- IT managers from key operating companies discuss important IT developments, trends, and risks.
- The internal and external (IT) security environment is tested by a specialized external agency.
- Internal guidelines on data protection are established.
- Awareness of the need for information security is raised through ongoing training and frequent newsletters on relevant (cyber) topics (Security Awareness Program).
- Internal Audit oversees the implementation of data protection guidelines.
- The risks are identified for operating companies with a high and medium risk in this area, based on size, technology, and reputation, and recommendations were made to further mitigate these risks. These risks and the monitoring of risk management are regularly discussed with the Executive Board and the Audit Committee.
- Specific assessments of the risk of ransomware and our resilience should such an event occur.

6 Personnel

A shortage of highly qualified personnel and the inability to retain qualified personnel can impact the (progress of the) of TKH's strategy. Health and safety incidents can create risks for employees and cause business to stagnate. Inability to reach young potential employees can lead to staff shortages.

Our specific risk mitigation measures:

- Performance/talent management programs in each operating company.
- Annual Management Development Programs.
- Conduct regular employee satisfaction surveys.
- Use our good reputation as an attractive employer to recruit talented employees.
- Set up cooperation programs between operating companies and training institutes.
- Diversity and inclusiveness programs.
- Use employer branding and referral recruitment to reach and engage future talent.
- Increase attention on safety by tightening safety standards and creating even greater safety awareness, and by implementing ISO 45001.
- Facilitate healthy and safe home-working practices.
- Communicate frequently with our employees through various channels about relevant general and business developments, and our impact on ESG topics.

7 Supply chain

A situation where important raw materials such as copper, aluminum, steel and plastics, and technical (electronic) components have long delivery times, are unavailable or only available in limited quantities, as well as the limited availability of energy and price increases related to raw materials and energy can put pressure on profit margins.

Our specific risk mitigation measures:

- Increase our inventory of critical raw materials and components where applicable.
- Redesign products to increase the use of alternative materials and components with better availability/pricing.
- Use alternative suppliers.
- Adapt terms and conditions in purchase and sales contracts.

Financial and reporting

- Optimize (regional) portfolio and local manufacturing footprint.
- Introduce energy reduction programs and switch to alternative energy sources.
- Develop cooperation programs between operating companies to discuss developments, trends, and risks and to leverage buying power and knowledge within the group and business segments.
- Ensure that developments, including inventory positions and purchasing conditions concerning important raw materials and components are discussed frequently between the Executive Board and local management.

8 Project management

Inadequate project management can result in the risk that projects will not be delivered to specification, on time, to budget and within agreed margins.

Our specific risk mitigation measures:

- Invest in qualified staff, training, and education. Ensure sufficient knowledge and professional competence.
- Ensure that guidelines and procedures are in place for the approval of projects with an above-average risk, project management, and adequate project administration.
- Make sure important projects are discussed at quarterly meetings between the Executive Board and local management.
- Monitor large projects with an above-average risk on a regular basis, if necessary with increased involvement of the Executive Board and/or Management Board and legal counsel.
- Constantly evaluate lessons learned and incorporate them into the risk model, which may lead to strict acceptance criteria.

9 Currencies

Currency volatility, which can put pressure on profit margins.

Our specific risk mitigation measures:

- Treasury Statute that establishes a currency risk management approach, including responsibilities, authorizations, and reporting.
- Material exchange rate risks are hedged in accordance with the Treasury Statute if these risks cannot be passed on in the market.
- Exchange rate risk arising from the translation of net investments into currencies other than the euro is generally not hedged. Monetary assets and liabilities in the same currency are netted as much as possible to reduce exposure.
- Time differences between the settlement of forward transactions and sales and purchase contracts are managed by using foreign currency bank accounts or by rolling over forward contracts.

10 Interest

Interest rate volatility, which can put pressure on the net result.

Our specific risk mitigation measures:

- The interest rate policy is determined at corporate level.
- A treasury statute that establishes a currency risk management approach, including responsibilities, authorizations, and reporting.
- Balances with credit institutions are compensated to minimize interest charges.
- Long-term financing is obtained at variable rates, where appropriate, fixed by means of interest rate swaps.
- Reduce our working capital where applicable by means of working capital reduction programs per operating company.
- We have prepared a budget that includes projections of cash flows and liquidity requirements for the coming year.

This forecast takes into account current market conditions, possible changes in results based on these conditions, and interest and currency volatility.

11 Cost inflation

Cost inflation including (volatility of) raw material prices, components, energy, and labor costs can put pressure on profit margins.

Our specific risk mitigation measures:

- Periodically analyze the impact of price changes per operating company based on a standard template.
- Frequently adjust market price lists where applicable.
- Redesign products to use alternative materials and components with better prices.
- Optimize (regional) portfolio and local manufacturing footprint in line with labor cost developments.
- Introduce operational excellence programs to improve (labor) efficiency.
- Develop energy saving and efficiency programs and eliminate (part of) price risks through medium-term energy contracts.
- Use alternative modes of transportation to optimize transport efficiency and costs.

Specific risk-mitigating measures for raw material prices related to copper and aluminum:

- The copper and aluminum positions of each operating company are monitored for the economic stock levels, stock prices, rate of turnover, and the expected relationship between copper prices and selling prices (price elasticity).
- Copper and aluminum price developments are factored into the selling price of products and/or services where possible, or temporarily hedged on the futures market.
- Raw material purchases for larger projects are hedged to eliminate price risks for customers.

- Copper and aluminum price developments, economic stock positions, and hedges are reviewed every month within a multi-disciplinary committee, including TKH's CFO.
- Derivatives can be used to a limited extent to hedge the price risk on free inventories.
- Important raw materials, such as copper, are purchased forward to eliminate price risks on the sale of finished products, if:
 - a sales contract is concluded at a fixed price;
 - delivery does not take place within one month; and
 - a significant amount of the raw material is needed for production.

12 Reporting

The risk that TKH's financial and non-financial reporting contains material errors. These reporting risks mainly relate to the following material items in the financial statements:

- Turnover – timing of turnover recognition.
- Goodwill and purchase price allocation – valuation and impairment testing.
- Development costs – valuation and impairment testing.
- Inventory – valuation.
- Contract assets and liabilities – valuation.
- Business combinations / held for sale – recognition and valuation of acquisitions and divestments.
- Non-financial KPIs.

Our specific risk mitigation measures:

- Internal procedures and guidelines for internal and external financial reporting and assurance.
- Availability of a Sustainability Reporting Manual.
- TKH has developed internal guidelines in accordance with IFRS, including requirements for the capitalization of development costs.
- Regular controller meetings are organized to discuss important reporting topics.

- Training and education of (financial) staff.
- Regular impairment testing, including the annual strategic planning.
- Use of business intelligence tools to gain early insight into risks.
- Representation letter and in-control statement for each operating company.
- Internal Audit performs financial audits and internal audits on non-financial information.
- Assurance by the external auditor on the financial statements.
- Limited assurance by the external auditor on the achievement of selected key non-financial KPIs.

Compliance

13 Legal & Regulatory

Failure to comply with laws and regulations – including internal guidelines – can result in damage. Examples include:

- Unfair competition, export violations, and sanctions programs that can result in significant penalties and reputational damage.
- Global operations and the use of agents who may expose TKH to local bribery and corruption risks.
- Undesirable or unethical conduct by employees that results in unacceptable behavior towards other employees or fraud-related issues.
- Violations of human rights and child labor regulations, including by suppliers.

Our specific risk mitigation measures:

- Internal guidelines include internal control measures, management responsibilities, and authorization requirements.
- Internal guidelines on compliance with sanctions and export regulations, including a checklist.
- Monitoring of financial flows by TKH, including by:
 - monitoring transactions through the central treasury system;
 - establishing banking authorizations; and
 - setting credit limits for each operating company, with no local credits allowed with banks outside of TKH's banking group, unless approved by TKH.
- The use of banks prescribed by TKH unless another bank is required locally because only a local bank can provide the required service.
- Controller meetings and the international management meeting will address the issues of sanctions, fraud, corruption, payment frameworks, and bribery by means of theory and case studies.
- The working relationship with agents and intermediaries is governed by guidelines and contracts.
- Through the TKH Code of Conduct, our employees are aware that they should adhere to our business ethics and confirm this by signing this Code of Conduct.

- Employees can report suspicions of misconduct through a whistleblower policy. Such reports will not have any consequences for the position of whistleblowers, provided they follow the procedure established for this purpose. External parties can also report to the Group Compliance Officer.
- In all layers of our company, compliance with internal guidelines relating to integrity and behavior is strictly monitored (zero tolerance).
- Through the TKH Code of Supply, our strategic suppliers are aware that they should follow our business ethics and confirm this by signing this Code of Supply. Compliance with this code is verified during supplier audits.
- Strengthen internal legal skills and capacity.
- Internal Audit conducts internal audits on non-financial information focusing on the most important risks, including supplier assessments and internal policies (e.g. related to sanctions).

14 Tax

TKH is exposed to tax risks that could result in double taxation, penalties, and interest payments. The source of the risks could arise from local tax rules and regulations as well as international and EU regulatory frameworks (amongst others European ATAD directives, DAC initiatives, country-by-country reporting and Pillar Two). These include, but are not limited to, transfer pricing risks on internal cross-border deliveries of goods and services, tax risks related to acquisitions and divestments, tax risks related to permanent establishments, tax risks related to tax loss, interest and tax credits carried forward, and potential changes in tax laws that could result in higher tax expenses and payments. These risks can have a significant impact on (local) financial tax results, which, in turn, could adversely affect TKH's financial position and results.

Our specific risk mitigation measures:

- Centralized monitoring of compliance in relation to

developments in (new) legislation and regulations in the area of tax laws (both national and international), sanctions regimes, and general tax and legal developments, with a focus on specific risks in the areas of transfer pricing, compliance with international standards such as Pillar Two, permanent establishment, and VAT.

- Availability and development of transfer pricing documentation in accordance with OECD Guidelines and compliance with local regulations.
- Periodic monitoring of the financial performance of operating companies in accordance with the transfer pricing documentation.
- Maintaining good relations with tax authorities based on mutual respect, transparency, and trust.
- Making use of external (tax) advisors for specialized subjects.
- Further rollout, monitoring and continuous update of the Tax Control Framework.
- Tax reporting, including standardized tax reporting packages for determining the tax position, which are also used for determining the tax position in the financial statements, as well as “country-by-country” reporting.
- The use of theory and case studies during internal training activities to address a broad spectrum of tax issues (including customs) and tax dilemmas.

Risk quantification and sensitivity analysis

For the most important risks, we have, where possible, quantified the impact on the result and financial position of TKH should these risks occur. A sensitivity analysis is also included. The financial statements, including note 20, outline TKH's objectives and policy regarding the use of financial instruments for risk management, also in the context of hedging risks associated with all major types of transactions to which TKH is exposed, related to capital, liquidity, interest, currency, credit, and price risks.

Going concern and outlook

We have prepared a budget that includes projections of cash flows and liquidity requirements for the coming year. This forecast takes into account current market conditions, possible changes in results based on these conditions, as well as our ability to adjust our cost structure in response to changing economic conditions and turnover levels. Our budget also takes into account the total amount of cash and cash equivalents and credit facilities available as at December 31, 2023, the possibility of renewing financing agreements and attracting additional financing, and whether we are operating within the financial ratio agreed with the banks in the covenant. On this basis, we believe that our available funds at the end of 2023 will be sufficient to finance our activities, investments, and existing contractual obligations for at least the next 12 months.

Risk quantification and sensitivity analysis

	change	impact	on	assumptions	relates to risk
Turnover	1%	€ 9.2 million	EBITA	No adjustment of operating costs.	1, 2, 3, 9, 11
Raw material price copper	10%	€ 1.8 million	EBITA	No derivatives to hedge price risks.	11
Gross margin	1%	€ 18.5 million	EBITA	No adjustments of operating costs.	1, 2, 3, 8, 9, 11
Operating costs	1%	€ 7.4 million	EBITA	No adjustment of turnover/gross margin.	Operational and financial risks
Currencies – financial instruments	10%	€ 10.4 million	Result before tax	All other variables remain constant.	9
Currencies – financial instruments	10%	€ 33.3 million	Group equity	All other variables remain constant.	9
Interest	1%	€ 5.6 million	Result before tax	Net bank debt including deduction of interest rate swaps held at variable interest rates.	Financial risks
Interest – financial instruments	1%	€ 1.2 million	Group equity	Based on concluded interest rate swaps.	Financial risks

Management statement

The Executive Board is responsible for the design and effectiveness of the internal risk management and control systems. The purpose of these systems is to identify and effectively manage the most significant risks to which the company is exposed.

During the year under review, Internal Audit assessed the administrative organization and internal control systems of TKH and its associated businesses, with a focus on the most important risks and current themes. No material shortcomings were found in the administrative organization and internal control. Improvements identified were related to non-material shortcomings. The Director of Internal Audit discussed the results of these audits with the Executive Board and reported the main findings to the Audit Committee. These activities did not result in any material findings at the group level regarding the administrative organization and the level of internal control. Based on the financial results for the 2023 reporting year and the expectations for the 2024 reporting year, the Executive Board has assessed the company's going concern assumption. Current market conditions and business plans for 2024 have been taken into account. The Executive Board has also assessed the key strategic, operational, financial, reporting, and compliance risks, as well as the design and effectiveness of the internal risk management and control systems, as described in the Risk Management section of this annual report.

The effectiveness and performance of the internal risk management and control systems are discussed each year with the Audit Committee and the Supervisory Board. Taking

into account the aforementioned risks and measures designed to manage them, and in accordance with the best practice provision 1.4.3 of the Dutch Corporate Governance Code, the Executive Board confirms that to the best of its knowledge:

- i the management report (within the meaning of section 2:391 of the Dutch Civil Code) provides sufficient insight into any shortcomings in the operation of the internal risk management and control systems related to strategic, operational, reporting, and compliance risks;
- ii the aforementioned systems provide reasonable assurance that the financial reporting does not contain any errors of material importance;
- iii the current situation justifies financial reporting on a going concern basis; and
- iv the report describes the material strategic, operational, reporting, and compliance risks and uncertainties that are relevant to the expectation of the company's continuity for a period of 12 months after the preparation of the report.

In view of the above, the Executive Board confirms that it is in compliance with best practice provision 1.4.2 of the Dutch Corporate Governance Code. It should be noted that the above does not imply that the internal risk management and control systems provide certainty as to the achievement of operational, sustainability, and financial business objectives,

nor can they completely prevent all misstatements, inaccuracies, errors or losses, incidents, fraud, or non-compliance with rules and regulations.

With reference to Section 5.25c(2c) of the Financial Supervision Act (Wft), the Executive Board declares that to the best of its knowledge:

- the financial statements provide a true and fair view of the assets, liabilities, financial position, and profit of TKH and the companies included in the consolidation;
- the management report gives a true and fair view of the situation on December 31, 2023, the state of affairs at TKH and its affiliated companies during 2023 (the details of which are presented in the financial statements), and that the management report describes the fundamental risks facing the company.

Haaksbergen, the Netherlands, March 4, 2024

J.M.A. van der Lof MBA, *Chief Executive Officer*
 E.D.H. de Lange MBA, *Chief Financial Officer*
 H.J. Voortman MSc, *Member of the Executive Board*

TKH Shares

Listing on the stock exchange

TKH's (depository receipts of) shares have been listed on the Euronext Amsterdam stock exchange since 1953, under the ticker symbol TWEKA and are included in the mid-cap index (AMX). Options on TKH shares are listed on NYSE Liffe, the European derivatives business of Euronext (ticker symbol: TKG). TKH shares are also included in the Next 150 Index, established by Euronext.

TKH joined the Euronext Tech Leaders segment, launched by Euronext in June 2022, which is Euronext's initiative to increase the visibility and appeal of high-growth and leading technology companies to international investors. Euronext Tech Leaders consists of more than 100 high-growth and leading companies listed on Euronext markets.

TKH's shares issued and outstanding

	2023	2022
Ordinary shares (nominal value € 0.25 each)	42,198,429	42,198,429
of which depository receipts	42,077,884	42,082,712
of which registered shares	120,545	115,717
Priority shares (nominal value € 1.00 each)	4,000	4,000
Total shares issued	42,202,429	42,202,429
of which held by the company	2,400,483	1,197,647

The number of depository receipts of shares has decreased by 4,828 compared to December 31, 2022 due to the conversion of 4,828 depository receipts of shares into ordinary shares. At the end of 2023, the company held 2,400,483 of its own depository receipts of shares. The company may acquire depository receipts of shares in its own capital for purposes

such as employee share and option plans. In 2023, the company executed two share buyback programs of € 25 million each. The company purchased 1,238,443 of its own depository receipts of shares for a total amount of € 50 million.

The registered ordinary shares, with the exception of the registered shares of the company, have been transferred by notarial deed to Stichting Administratiekantoor TKH Group ("Stichting Administratiekantoor"), which issues depository receipts for the shares to the ultimate investors. Stichting Administratiekantoor is the party entitled to the shares and also exercises the voting right, unless it has granted power of attorney to the holders of the depository receipts. The holders of depository receipts are entitled to receive power of attorney to vote for the shares corresponding to the depository receipts they own. Stichting Administratiekantoor remains entitled to vote for the shares for which the holders of depository receipts are not present or represented at the meeting. The aforementioned power of attorney may be limited, excluded or revoked by the Board of Stichting Administratiekantoor in various situations specified by law (see also Corporate Governance section). In this case, Stichting Administratiekantoor may (again) exercise the voting right for all shares for which depository receipts have been issued. The relationship between Stichting Administratiekantoor and the holders of depository receipts for shares is governed by administrative conditions. The protection provided by the use of depository receipts is based on the 1% rule. The depository receipts can be exchanged for ordinary shares but not for more than 1% of the total issued capital in the form of ordinary shares. This total includes both indirectly and directly held shares. However, this does not apply to the transfer of ordinary shares to the company itself.

Except as described under "Other information", the priority shares do not carry any special rights. The company has granted Stichting Continuïteit TKH an option to acquire preference shares up to a maximum of 50% of the sum of the other outstanding shares at the time that the preference shares are issued or up to 100% of the sum of the other outstanding shares at the time the preference shares are issued if the restriction on the cancellation option lapses, which will occur if and when the Executive Board of the company so decides and files a declaration to that effect with the Chamber of Commerce. Stichting Continuïteit TKH has not acquired any cumulative preference shares in TKH in 2023.

Further information on the capital structure of TKH is included in note 7 to the company's financial statements. This information is incorporated by reference in the management report.

Trading information

The following key figures per (depository receipt of) share apply in relation to the listing on Euronext Amsterdam.

	2023	2022
Annual turnover of shares	20,161,005	19,633,987
Highest price	€ 49.10	€ 54.90
Lowest price	€ 33.64	€ 31.24
Closing price	€ 39.50	€ 37.16
Net earnings per share	€ 4.07	€ 3.34
Dividend	€ 1.70	€ 1.65
Price-earnings ratio as at the end of the financial year	9.7	11.1
Dividend yield on closing price	4.3%	4.4%
Market capitalization at end of financial year (in millions)	€ 1,572	€ 1,524

Shareholders

Under the Dutch Financial Supervision Act, shareholdings of 3% or more must be disclosed to the Dutch Authority for the Financial Markets (“AFM”). Based on the AFM register until the beginning of 2024, the following shareholders hold a stake of 3% or more in TKH.

Mandatory disclosing party	Interest	Date of last disclosure
Goldman Sachs Group Inc.	3.01%	January 4, 2024
TKH Group N.V.	5.00%	November 24, 2023
FMR LLC	3.10%	March 3, 2023
Janus Henderson Group plc	3.03%	June 23, 2022
AllianceBernstein L.P.	3.03%	January 20, 2022
Vinke Amsterdam B.V.	5.84%	May 28, 2020
Lucerne Capital Management, LLC	5.62%	August 20, 2019
Teslin Participaties Coöperatief U.A.	5.01%	July 6, 2017
ASR Nederland NV	5.11%	October 6, 2008

Dividend policy

TKH aims for an attractive return for its shareholders, which is reflected in an appropriate dividend policy. Healthy balance sheet ratios are very important for the company’s continuity. In determining the distributable dividend, TKH takes into account the amount of profit the company needs to retain to carry out its medium- to long-term plans, while also ensuring a solvency ratio of at least 35%. Based on growth targets for the coming years, TKH will aim to pay out between 40% and 70% of the net profit before amortization and one-off income and expenses attributable to shareholders.

The total dividend paid in 2023 of € 67.4 million amounted to a dividend payout ratio of 47.2% of the net profit before amortization and one-off income and expenses attributable

to shareholders. The dividends were issued to the holders of (depository receipts of) shares in cash.

Investor relations

TKH’s investor relation activities are designed to ensure that current and potential shareholders, analysts, and other stakeholders are provided with timely, complete, and consistent information. TKH’s investor relations activities focus on helping the market understand our business, our strategy, our markets, and our financial and sustainability performance. TKH is committed to transparent reporting. We communicate through our half-year and full-year earnings releases and presentations, market updates, quarterly analyst calls, the annual report, and other information published on our investor relations website. We host live webcast presentations of our half-year and full-year results, hold the Annual General Meeting of Shareholders, and have frequent contact with major and other shareholders, interested institutional investors, and analysts through roadshows, conferences, company visits, and one-on-one discussions. TKH’s activities comply with the applicable regulations and guidelines of Euronext Amsterdam and the Dutch Authority for the Financial Markets (“AFM”), the Dutch financial markets regulator.

Contact

For further information, please contact Jacqueline Lenterman, Director of Investor Relations and Corporate Communications at +31(0)535732900, j.lenterman@tkhgroup.com.

More information about TKH and its operating companies is available on our website at <https://www.tkhgroup.com>.

Financial calendar

May 6, 2024	Market Update Q1 2024
May 7, 2024	General Meeting of Shareholders
May 9, 2024	Ex-dividend date
May 10, 2024	Dividend record date
May 14, 2024	Payment of dividend
August 13, 2024	Publication interim results 2024
November 12, 2024	Market Update Q3 2024