

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					
		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.

Comparitive 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.