







ANNUAL REPORT 2014







ICONS by category











DRIVE

-  CAR
-  MOTORCYCLE
-  CAMPER & CARAVAN
-  TRUCK

SPORT

-  RUNNING
-  CYCLING
-  SWIMMING
-  GOLF

PRODUCT-RELATED

-  CONNECTED CAR
-  DIGITAL MAP
-  MULTINET-R
-  REAL-TIME TRAFFIC INFORMATION
-  NAVKIT NAVIGATION ENGINE
-  NAVCLOUD
-  CLOUD-BASED PRODUCTS
-  WEBFLEET
-  TELEMATICS APP CENTER
-  FLEET

FINANCE & STRATEGY

-  ACCOUNTING POLICIES
-  SIGNIFICANT ESTIMATES
-  OUTLOOK
-  STRATEGY

FORWARD-LOOKING STATEMENTS/IMPORTANT NOTICE

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of TomTom NV (the company) and certain of the plans and objectives of TomTom and its subsidiaries (together with the company referred to as 'the group') with respect to these items. In particular the words 'expect', 'anticipate', 'estimate', 'may', 'should', 'would', 'believe' and similar expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on them. We have based these forward-looking statements on our current expectations and projections about future events, including numerous assumptions regarding our present and future business strategies, operations and the environment in which we will operate in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, levels of customer spending in major economies, changes in consumer tastes and preferences, changes in law, the performance of the financial markets, the levels of marketing and promotional expenditures by the group and its competitors, raw materials and employee costs, changes in exchange and interest rates (in particular changes in the USD and GBP versus the euro can materially affect results), changes in tax rates, future business combinations, acquisitions or disposals, the rate of technological changes, political and military developments in countries where the company operates and the risk of a downturn in the market.

Statements regarding market share, including the company's competitive position, contained in this document are based on outside sources such as specialised research institutes, industry and dealer panels in combination with management estimates. Where full year information regarding 2014 is not yet available to the company, these statements may also be based on estimates and projections prepared by outside sources or management. Market shares are based on sales in units unless otherwise stated. The forward-looking statements contained refer only to the date in which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this annual report.

important matters and submit important decisions to the Supervisory Board for its prior approval.

Composition and appointment

The Articles of Association provide that the Management Board must consist of at least two members. Each member of the Management Board is appointed for a maximum period of four years and may be re-appointed for another period of not more than four years. The General Meeting appoints the members of the Management Board, subject to the right of the Supervisory Board to make a binding nomination.

The General Meeting may at all times, by a resolution passed with a majority of at least two-thirds of the votes cast, and representing more than 50% of the issued share capital, resolve that the nomination submitted by the Supervisory Board is not binding. In such a case, the General Meeting may appoint a member of the Management Board in contravention of the Supervisory Board's nomination by a resolution passed with a majority of at least two-thirds of the votes cast, representing more than 50% of the issued share capital. If the Supervisory Board fails to use its right to submit a binding nomination, the General Meeting may appoint members of the Management Board with a majority of at least two-thirds of the votes cast, representing more than 50% of the issued share capital.

A resolution of the General Meeting to suspend or dismiss members of the Management Board requires a majority of at least two-thirds of the votes cast, representing more than 50% of the company's issued share capital.

Members of the Management Board

The Management Board currently consists of three members and meets the requirements set by the Act on Management and Supervision (*Wet Bestuur en Toezicht*) with respect to gender diversity. The members of the Management Board are jointly authorised to represent the company.

Biographies of the members of the Management Board, as well as other details relating to their careers can be found in the [Management Board Report](#) section.

Remuneration

Upon a proposal by the Remuneration Committee, the Supervisory Board determines the remuneration of the individual members of the Management Board in accordance with the company's remuneration policy for the Management Board. The remuneration policy was adopted in 2009 and amended by the General Meeting in 2011 respectively in 2014 as further set out in the [Deviations from the Corporate Governance Code](#) section of this report.

For further information about the remuneration of the members of the Management Board, reference is made to the [Remuneration Report](#) included in the Supervisory Board Report, as well as [note 33. Remunerations of members of the Management Board and the Supervisory Board](#) in the consolidated financial statements.

Conflicts of interest

Members of the Management Board must report any (potential) conflict of interest to the Chairman of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. The member of the Management Board who has a (potential)

conflict of interest may not be present at such meetings. Matters in which the company has a conflict of interest with a member of the Management Board in his private capacity are subject to the prior approval of the Supervisory Board. During 2014, no such conflicts of interest were reported.

SUPERVISORY BOARD

General

The Supervisory Board is responsible for supervising the conduct of management by the Management Board and the general course of affairs of the company and its affiliates. The Supervisory Board may on its own initiative provide advice to the Management Board. The Management Board can also request the Supervisory Board's advice. The Supervisory Board acts in the interest of the company as well as that of its stakeholders as a whole in performing its duties.

The Articles of Association require that certain decisions of the Management Board be subject to the approval of the Supervisory Board. Resolutions of the Management Board to issue shares, to grant rights to acquire shares or to restrict or exclude pre-emptive rights require prior approval from the Supervisory Board. Other resolutions requiring such approval include, among others:

- Proposals to amend the Articles of Association;
- Proposals to conclude a legal merger or a legal demerger;
- Proposals to reduce the issued share capital; and
- Matters in which the company has a conflict of interest with a member of the Management Board in his private capacity.

Composition and appointment

The Articles of Association provide that the Supervisory Board should consist of three or more members. Members of the Supervisory Board may be appointed for a maximum of three times a term of four years. The Supervisory Board appoints a Chairman and a Deputy Chairman from amongst its members. The members of the Supervisory Board retire periodically in accordance with a rotation plan.

The General Meeting appoints the members of the Supervisory Board, subject to the right of the Supervisory Board to make a binding nomination.

The General Meeting may at all times, by a resolution passed with a majority of at least two-thirds of the votes cast, and representing more than 50% of the issued share capital, resolve that the nomination submitted by the Supervisory Board is not binding. In such cases, the appointment of a member of the Supervisory Board in contravention of the nomination requires a resolution of the General Meeting adopted with a majority of at least two-thirds of the votes cast, representing more than 50% of the issued share capital. A resolution of the General Meeting to suspend or dismiss members of the Supervisory Board requires a majority of at least two-thirds of the votes cast, representing more than 50% of the issued share capital.

The Supervisory Board has determined a profile regarding its size and composition, taking into account the nature of TomTom's business, its activities and the desired expertise. The Supervisory Board aims for a diverse composition and will strive for a fair balance between experience, expertise, gender, age and background. When nominating a candidate for (re)appointment,

however, the qualifications of the candidate and the specific requirements of the positions to be filled will prevail.

The Supervisory Board profile and other rules and regulations covering its decision-making process are posted on TomTom's corporate website: corporate.tomtom.com/articles.cfm.

Members of the Supervisory Board

The Supervisory Board currently consists of seven members. Biographies of the members of the Supervisory Board, as well as other details relating to their careers can be found in the [Supervisory Board Report](#) section.

The Supervisory Board confirms that its current composition has the necessary experience, expertise, and independence to ensure that its members are able to properly execute their duties. All current members of the Supervisory Board were appointed in accordance with the Supervisory Board profile. Mr Vuursteen retired from the Supervisory Board following the 2014 General Meeting and was succeeded by Mr Wakkie as Chairman. Mr Van den Bergh resigned from the Supervisory Board following the 2014 General Meeting. The proposals for the appointments of Ms Tammenoms Bakker and Ms Elberse were adopted at the 2014 General Meeting. Both appointments were made for a period of four years. According to the Act on Management and Supervision (*Wet Bestuur en Toezicht*), a proper composition of the Supervisory Board means that at least 30% of the seats are held by women and at least 30% by men. Two out of seven Supervisory Board members are female (29%). With regards to the same Act, no member of the Supervisory Board holds more than five supervisory positions at Dutch 'large companies'.

The committees

In line with the Code, the Supervisory Board has established an Audit Committee, a Remuneration Committee and a Selection and Appointment Committee. Each of these committees is staffed by members of the Supervisory Board. For an overview of all activities performed by the Committees, reference is made to the [Supervisory Board Report](#) section. The terms of reference of each committee can be found on TomTom's corporate website: corporate.tomtom.com/supboard.cfm.

Remuneration

The remuneration of the Supervisory Board members and the additional remuneration of the Chairman and the members of its committees is determined by the General Meeting. Members of the Supervisory Board are not authorised to receive any payments under the company's pension or bonus schemes or under the option or share plans. The annual remuneration of the Supervisory Board and sub-committees membership remained unchanged during 2014. The annual remuneration of the Chairman of the Supervisory Board is €50,000; the other Supervisory Board members receive €40,000.

The annual remuneration of the Chairman of the Audit Committee is €10,000, while the other members of the committee receive €7,000. The annual remuneration of the Chairman of the Remuneration Committee and of the Chairman of the Selection and Appointment Committee is €7,000, while the other members of these committees receive €4,000. The remuneration of Supervisory Board members and committee members is proportional to the number of months served. The remuneration of Mr Vuursteen and

Mr Van den Bergh was paid out pro rata. The aggregate remuneration of the Supervisory Board members in 2014 amounted to €351,000.

For more detailed information about the remuneration of individual members of the Supervisory Board see [note 33. Remunerations of members of the Management Board and the Supervisory Board](#) in the consolidated financial statements.

Conflicts of interest

Members of the Supervisory Board (excluding the Chairman) must report any (potential) conflict of interest to the Chairman of the Supervisory Board. If the (potential) conflict of interest involves the Chairman of the Supervisory Board, it must be reported to the Deputy Chairman of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. The member of the Supervisory Board who has a (potential) conflict of interest may not be present at such meetings. The member of the Supervisory Board with a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the company. Such transactions shall be disclosed in the annual report. No transactions in which there were conflicts of interest with members of the Supervisory Board were reported in 2014.

Shareholdings

No shares or rights to shares were granted to a Supervisory Board member by way of remuneration. No shares in the company are held by any Supervisory Board member.

GENERAL MEETING

Functioning of the General Meeting

The General Meeting must be held within six months after the end of each financial year. The General Meeting is convened by public notice via the company's corporate website: corporate.tomtom.com/agm.cfm.

The compilation of the annual report is a recurring agenda item, as are the adoption of the annual accounts, the release from liability of the members of the Management Board and Supervisory Board and the execution of the remuneration policy during the present year. When deemed necessary in the interests of the company, an Extraordinary General Meeting may be convened by resolution of the Management Board or the Supervisory Board.

Shareholders may appoint a proxy who is then empowered to vote on their behalf in the General Meeting. The minutes and the resolutions of the General Meeting are recorded in writing.

The minutes will be made available to the shareholders on TomTom's corporate website no later than three months after the meeting.

Voting rights

Each of our ordinary shares and preferred shares is entitled to one vote. Shareholders may vote by proxy. The voting rights attached to any company shares held by the company are suspended as long as they are held in treasury.

Resolutions of the General Meeting are adopted by an absolute majority of votes cast, except where Dutch law or TomTom's Articles of Association provide for a special majority.