



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.

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.

According to TomTom's Articles of Association, the following decisions of the General Meeting require a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital:

- Resolution to cancel a binding nomination for the appointment of a member of the Management Board or the Supervisory Board;
- Resolution to appoint a member of the Management Board or the Supervisory Board in contravention of the binding nomination by the Supervisory Board; and
- Resolution to dismiss or suspend a member of the Management Board or the Supervisory Board.

In addition, in accordance with Dutch law, TomTom's Articles of Association provide that, if less than 50% of our issued share capital is represented at the meeting, certain decisions of the General Meeting require a majority of at least two-thirds of the issued capital represented. This includes decisions of our General Meeting regarding:

- The restriction and exclusion of pre-emptive rights, or the designation of the Management Board as the authorised body to exclude or restrict such rights;
- The reduction of the issued share capital; and
- A legal merger or legal demerger of the company.

Amendment of the Articles of Association

The General Meeting may resolve to amend the Articles of Association of the company if it acts on a proposal by the Management Board that has also been approved by the Supervisory Board.

A resolution of the General Meeting to amend the Articles of Association requires an absolute majority of votes cast, irrespective of the share capital represented at the General Meeting.

The company's Articles of Association were last amended at the 2013 General Meeting.

THE CAPITAL STRUCTURE

The company's authorised share capital amounts to €180,000,000 and is divided into 600,000,000 ordinary shares with a nominal value of €0.20 each and 300,000,000 preferred shares, with a nominal value of €0.20 each. On 31 December 2014, a total of 223,569,822 ordinary shares were issued and outstanding.

Issue of shares

The Management Board has the power to issue shares or grant rights to subscribe for shares if so designated by the General Meeting or the company's Articles of Association. This Management Board resolution is subject to the prior approval of the Supervisory Board. No resolution of the General Meeting or the Management Board is required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares.

The Management Board continues to believe it is in the company's best interests that it should be in a position to react promptly when business opportunities arise that require the issue of ordinary shares. When such occasions arise, the Management Board therefore wishes to be authorised to issue ordinary shares and to grant rights to subscribe for such shares without the need to obtain prior approval from company shareholders at an Extraordinary

General Meeting. Such meetings take time to convene and could generate disruptive market speculation.

On 1 May 2014, the General Meeting passed a resolution extending the Management Board's authorisation to resolve to issue ordinary shares or grant rights to subscribe for such shares until 1 November 2015. This authority is limited to 10% of the number of issued ordinary shares for general purposes, and an additional 10% in connection with or on the occasion of a merger or acquisition, and to restrict or exclude the pre-emption rights for existing shareholders for such issue or grant of rights.

Separately, the Management Board has been authorised to grant, subject to the prior approval of the Supervisory Board, rights to subscribe for ordinary shares and to restrict or exclude the pre-emption rights for existing shareholders for those rights, up to 2,200,000 ordinary shares for the purpose of executing the TomTom Employee Stock Option Plan and the Management Board Stock Option Plan. It was granted for a period starting from the 2014 General Meeting and ending with the General Meeting to be held in 2015.

Repurchase by the company of its own shares

The 2014 General Meeting has resolved to authorise the Management Board to acquire shares in the capital of the company up to 10% of the issued share capital. The authorisation was granted for a period of 18 months, and will be in effect until 1 November 2015.

PROTECTION MECHANISM

Foundation Continuity TomTom

A foundation, Stichting Continuïteit TomTom (the Foundation), was established on 26 May 2005 to act as an instrument that protects the company against hostile takeovers. The purpose of the Foundation is to safeguard the interests of the company and all of its stakeholders. It does so by ensuring that the company is in a position to resist influences that could affect its independence, continuity and/or corporate identity in any manner that would be in contravention of the interests of the company or its stakeholders. The granting of rights to subscribe for preferred shares to the Foundation may help to prevent, discourage or otherwise delay unsolicited attempts to obtain (de facto) control of the company. This measure will strengthen the company's position in relation to potential bidders, and allows the company time to seek alternatives to hostile takeover bids.

On 23 April 2013, the General Meeting adopted the proposal of the Management Board to grant the Foundation a call option entitling it to subscribe for preferred shares up to one hundred per cent (100%) of the aggregate nominal value of the outstanding ordinary shares at the time of issue, up to a maximum of the number of preferred shares included in the authorised capital at the time of issue.

The Foundation shall subscribe for the preferred shares at par. Immediately after subscribing for preferred shares, the Foundation shall proceed to pay one-fourth of the nominal value of the preferred shares at the time of issue. Three-fourths of the nominal amount shall only need to be paid upon call by the company, without prejudice to the provisions of section 2:84 of the Dutch Civil Code. The Foundation is entitled to exercise the option right