

Agenda for the AGM of Shareholders ('AGM') of TKH Group NV, to be held at Restaurant 't Hagen, Scholtenhagenweg 36, Haaksbergen, the Netherlands, on Wednesday 14 May 2014, at 2:30 pm.

## 1 OPENING

### 2 ANNUAL REPORT FOR 2013, ANNUAL FINANCIAL STATEMENTS FOR 2013, DIVIDEND AND DISCHARGE

- a. Presentation of the report of the Executive Board and the annual financial statements for the 2013 financial year
- b. Discussion of the remuneration policy implemented in 2013\*
- c. Proposal to adopt the annual financial statements prepared by the Executive Board for the 2013 financial year
- d. Explanation of the policy concerning reserves and dividends\*
- e. Declaration of the dividend for 2013 and the timing for paying it out\*
- f. Proposal to discharge the members of the Executive Board of their management duties
- g. Proposal to discharge the members of the Supervisory Board of their supervisory duties

### 3 VACANCIES ON THE SUPERVISORY BOARD\*

- a. Notification of Supervisory Board vacancies and board position profiles to the shareholders at the AGM.
- b. Opportunity for shareholders at the AGM to make recommendations, with due regard for the position profiles
- c. Announcement to the shareholders at the AGM of the Supervisory Board's recommendation to reappoint Mrs M.E. van Lier Lels to the Supervisory Board, in the position of vice chair, if the shareholders do not invoke their right of recommendation
- d. Proposal to the shareholders at the AGM to reappoint Mrs M.E. van Lier Lels as a member of the Supervisory Board, in the position of vice chair, if the shareholders do not invoke their right of recommendation
- e. Announcement to the shareholders at the AGM of the Supervisory Board's recommendation to appoint Mr A. De Proft MSc, to the Supervisory Board, if the shareholders do not invoke their right of recommendation
- f. Proposal to the shareholders at the AGM to appoint Mr A. De Proft MSc, as a member of the Supervisory Board, if the shareholders do not invoke their right of recommendation

### 4 APPOINTMENT OF AN EXTERNAL AUDITOR\*

- a. To audit the annual financial statements for 2014
- b. To audit the annual financial statements for 2015, 2016 and 2017

### 5 AUTHORISATION OF THE EXECUTIVE BOARD TO REPURCHASE SHARES IN THE COMPANY\*

### 6 REAPPOINTMENT OF THE EXECUTIVE BOARD AS THE COMPETENT AUTHORITY TO DECIDE ON:\*

- a1. The issuance of ordinary shares
- a2. Restriction or exclusion of shareholders' pre-emptive rights with respect to the issuance of shares referred to in Item 6a1
- b1. The issuance of cumulative financing preference shares
- b2. Restriction or exclusion of shareholders' pre-emptive rights with respect to the issuance of shares referred to in Item 6b1

### 7 ANY OTHER BUSINESS AND CLOSE

\* See explanatory notes

# EXPLANATORY NOTES

## Item 2

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- b. Information on the remuneration of Executive Board members during the 2013 financial year, as stated in the notes to the consolidated annual financial statements on page 132 of the full annual report will be put forward for discussion.
- c. The policy of the TKH Group NV ('TKH') is aimed at securing an attractive return for the shareholder, which is reflected in an appropriate dividend policy. Healthy balance sheet ratios are very important to the continuity of the company. In determining the distributable dividend, TKH takes into account the amount of profit the company needs to retain to carry out its plans in the medium term, while maintaining a solvency rate of at least 35%. In light of the growth targets for the coming years, TKH will aim for a payout of between 40% and 70%.
- d. The shareholders at the AGM will be asked to approve the payment of a dividend for 2013 of € 0.75 per (depository receipt of) a share (2012: € 0.65). This represents a payout ratio of 50.7% of the net profit before amortisation and one-off income and expenses and 76.5% of the net profit. The proposal is for the dividends to be charged to reserves, with the option of either cash or stock. The stock dividend will be declared one day after the option period expires, based on the

average share price during the final five days of trading of said option period, which ends on 3 June 2014. Stock dividends will only be paid out in whole shares; fractional shares will be converted into cash in accordance with the terms and conditions of the bank or banks managing the shareholding for the shareholder. The bank managing the shareholding for the shareholder can make a decision based on the applicable general terms and conditions, even if it has not received any specific instructions from the shareholder. The dividend will become payable, in either cash or stock, on 6 June 2014. When applying for the shares issued as payment for the dividend to be admitted for trading on Euronext Amsterdam, TKH will claim an exemption from the prospectus requirement, based on Section 5 (4) (e) of the Dutch Financial Supervision Act (Wet financieel toezicht).

This proposal also incorporates the proposal to the shareholders at the AGM to designate the Executive Board, for a period of six months commencing on 14 May 2014, as the company body authorised to resolve, subject to approval by the Supervisory Board, to issue the number of ordinary shares required to distribute the stock dividend and to preclude the pre-emptive rights with respect to said share issue.

## Item 3

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Mrs M.E. Van Lier Lels and Mr P. Morley will resign at the end of the AGM of 14 May 2014 in accordance with the schedule of retirement. Under the by-laws of the Supervisory Board and the articles of association of TKH, Mrs Van Lier Lels qualifies for reappointment for another four-year term, and she has indicated that she is prepared to serve another term. Mr Morley is no longer eligible for reappointment because he has reached the term limit of three terms of four years each. As usual, the so-called telescope system for appointing new board members to the Supervisory Board will be used so that the entire procedure can be completed in a single meeting.

The procedure is as follows:

- a. The shareholders at the AGM are notified of the vacancies arising from the resignations of Mrs M.E. van Lier Lels and Mr P. Morley in accordance with the schedule of retirement. The reappointment of Mrs Van Lier Lels is subject to the special right of recommendation from the Central Works Council, as described in Section 19 (8) of the company's articles of association. This special right of recommendation from the Central Works Council does not apply to the

vacancy from the resignation and ineligibility for reappointment of Mr Morley. These vacancies must be filled in accordance with the position profiles defined for the Supervisory Board, which can be found on the company website: [www.tkhgroup.com](http://www.tkhgroup.com).

- b. The shareholders at the AGM are given an opportunity to recommend to the Supervisory Board, with due regard for the position profiles, candidates for nomination as members of the Supervisory Board. The Central Works Council has already been informed of the vacancies and associated profiles and has made it known that it will exercise its special right of recommendation for Mrs Van Lier Lels. For the vacancy arising from the resignation of Mr Morley, the Central Works Council has made it known that it will not exercise its right of recommendation.
- c. The Supervisory Board nominates Mrs M.E. van Lier Lels as a candidate for reappointment to the Supervisory Board –based in part on the profile specified for the Supervisory Board– on the condition that the shareholders at the AGM do not invoke their right of recommendation. The Supervisory Board has

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discussed the reappointment of Mrs Van Lier Lels, and its remaining members are of the unanimous opinion that her knowledge and experience match the desired expertise, as set out in the profile drawn up by the Supervisory Board. The other members of the Supervisory Board consider the reappointment of Mrs Van Lier Lels to be in the best interests of TKH, given her extensive knowledge of international business, her HR expertise and her experience with listed companies.

Mrs Van Lier Lels is 54 years old and has been a Supervisory Board member at TKH Group NV since 2006. She has held a variety of management positions at Koninklijke Nedlloyd, Van Gend & Loos, Deutsche Post Euro Express and the Schiphol Group. Mrs Van Lier Lels sits on other boards, as well, including the Supervisory Boards of Koninklijke KPN NV (till 9 April 2014), USG People NV (till 8 May 2014), Reed Elsevier NV and Eneco Holding NV. She is the chair of the Supervisory Board for the Dutch Foundation for Nature Conservation and Environmental Protection, a member of the Dutch Council on the Living and Working Environment and Infrastructure, a member of the Central Planning Committee of the CPB (Netherlands Bureau for Economic Policy Analysis) and a board member of Vereniging Aegon. This nomination is in compliance with the legal limitations on the number of supervisory functions a person may hold under the Dutch Management and Supervision Act (*Wet bestuur en toezicht*). Mrs Van Lier Lels is of Dutch nationality, and she does not own any shares in TKH.

The Central Works Council was notified well in advance of the convocation of the AGM of Shareholders, so that it might form an opinion with regard to this nomination, in accordance with Section 2 (158) (4) of the Dutch Civil Code. The Central Works Council has indicated that it wishes to exercise its special right of recommendation under Section 19 (8) of the company's articles of association for the reappointment of Mrs Van Lier Lels. The chair of the Central Works Council, or a member of the Central Works Council designated by the chair, may explain the Central Works Council's opinion to the AGM.

- d. If the shareholders at the AGM choose not to invoke their right of recommendation, a motion will be made at the AGM to reappoint Mrs M.E. van Lier Lels as a member of the Supervisory Board for a term that will expire at the end of the first AGM held four years after the appointment. The Supervisory Board has indicated that it plans to name Mrs Van Lier Lels vice chair, pursuant to Section 19 (2) of the articles of association.

- e. The Supervisory Board nominates Mr A. De Proft as a candidate for appointment to the Supervisory Board –based in part on the profile specified for the Supervisory Board– on the condition that the shareholders at the AGM do not invoke their right of recommendation. The Supervisory Board has discussed the appointment of Mr De Proft and it is of the unanimous opinion that his knowledge and experience match the desired expertise, as set out in the profile drawn up by the Supervisory Board, especially his technological know-how and broad international experience.

Mr De Proft is 53 years old and earned his engineering degree from KU Leuven (Belgium). He started his career in Silicon Valley (USA) as an applications engineer. For most of the rest of his career, he was employed at ICOS Vision Systems, a global leader in inspection equipment for semi-conductors, where he worked his way up to CEO. Mr De Proft is currently chair of the Executive Board of IMEC (a European research centre in Leuven, Belgium), chair of the Executive Board of Quest For Growth and managing director of Barco. This nomination is in compliance with the legal limitations on the number of supervisory functions a person may hold under the Dutch Management and Supervision Act (*Wet bestuur en toezicht*). Mr De Proft is of Belgian nationality, and he does not own any shares in TKH.

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

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

Pursuant to Section 2 (142) (3) of the Dutch Civil Code, curriculum vitae and other information on Mrs Van Lier Lels and Mr De Proft are available for inspection at the offices of TKH from today to the date of the AGM and can also be downloaded from the TKH website ([www.tkhgroup.com](http://www.tkhgroup.com)).

After the aforementioned changes, the composition of the Supervisory Board will still be such that all of the members of the Supervisory Board are independent, as intended under the best practices provision III.2.2 of the Corporate Governance Code.

## Item 4

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- a. In accordance with Section 32 (1) of the articles of association, the company will propose to shareholders at the AGM that Deloitte Accountants be appointed to audit the TKH Group's annual financial statements for 2014. The audit will be carried out under the responsibility of Mr B.E. Savert, partner at Deloitte Accountants.
- b. In anticipation of compliance with the new Dutch accountancy law, which mandates a compulsory rotation of accountancy

firms with effect from 2016, TKH started a selection process in late 2013 to find a new accountancy firm. After a thorough evaluation, the company has decided to propose to shareholders at the AGM that Ernst & Young Accountants LLP (EY) be appointed to audit the TKH Group's annual financial statements for the 2015, 2016 and 2017 financial years. The audit will be carried out under the responsibility of Mr A. Wijnsma, partner at EY.

## Item 5

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This concerns a proposal to authorise the Executive Board, for a period of 18 months from 14 May 2014 and within the limits of the law and the articles of association, to repurchase for valuable consideration, on the stock market or otherwise, shares or depositary receipts of shares in the company up to a maximum of 10% of the issued capital of TKH at the time of repurchase. TKH shall not hold, through the repurchase of shares, more than 10% of the issued capital at the time of repurchase. The price of the (depositary receipts of) shares being repurchased must be between the amount equal to the par value they represent, on the one hand, and the amount equal to one-hundred-and-ten percent (110%) of the market price, on the other.

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

## Item 6

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This concerns a proposal to designate the Executive Board, for a period of 18 months commencing on 14 May 2014, as the body that is authorised, subject to the approval of the Supervisory Board, to decide to issue ordinary shares and cumulative financing preference shares, including the granting of rights to subscribe to shares, with due regard for the following provision.

The designation will apply to ordinary shares and cumulative financing preference shares up to and including ten percent (10%) of the total nominal value of the shares that have been

placed at the time of the issue, plus ten percent (10%) of the total nominal value of the shares that have been placed at the time of the issue if the issue occurs as part of a merger, takeover or strategic partnership.

Renewal of the Executive Board's authority to act as the body issuing shares, including the granting of rights to subscribe to shares, will be voted on separately for each type of share. The same applies to the authorisation to exclude pre-emptive rights.