

# Agenda



Agenda for the Annual General Meeting of Shareholders ('AGM') of TKH Group NV, to be held at Restaurant 't Hagen, Scholtenhagenweg 36, Haaksbergen (Netherlands), on Tuesday 26 April 2016, at 2:30 p.m.

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## **1 Opening**

## **2 Annual report, annual financial statements, dividend and discharge**

- a. Presentation of the annual report and annual financial statements for the 2015 financial year
- b. Discussion of the remuneration policy in 2015
- c. Adoption of the annual financial statements for the 2015 financial year
- d. Explanation of the policy concerning reserves and dividends
- e. Declaration of the dividend for 2015 and the timing of its payment
- f. Discharge of the members of the Executive Board for their management duties
- g. Discharge of the members of the Supervisory Board for their supervisory duties

## **3 Supervisory Board vacancy**

- a. Notification of Supervisory Board vacancy and board position profile to the shareholders at the AGM
- b. Opportunity for shareholders at the AGM to make recommendations, with due regard for the position profile
- c. Announcement to the shareholders at the AGM of the Supervisory Board's recommendation to reappoint Mr R.L. van Iperen, to the Supervisory Board, if the shareholders do not invoke their right of recommendation
- d. Proposal to the shareholders at the AGM to reappoint Mr R.L. van Iperen, as a member of the Supervisory Board, if the shareholders do not invoke their right of recommendation

## **4 Authorisation of the Executive Board to acquire shares in the company**

## **5 Reappointment of the Executive Board as the competent authority to decide on:**

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

## **6 Any other business and closure**

# Explanatory Notes

## Item 2

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- b. Information on the remuneration of Executive Board members during the 2015 financial year, as stated in the remuneration report on page 65-66 of the annual report 2015, 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 reserve and 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, as in previous years, for a pay-out of between 40% and 70%.
- d. The shareholders at the AGM will be asked to approve the payment of a dividend for 2015 of € 1.10 per share/depository receipt of share (2014: € 1.00). Based on the outstanding shares at year-end 2015, this amounts to a pay-out ratio of 45.9% of the net profit before amortisation and one-off income and expenses to shareholders, and 52.0% of the net profit. The proposal is for the dividends to be charged to reserves, with the option of either cash or stock. If the option is not exercised, the dividend will be paid in cash to holders of depository receipts of ordinary shares, subject to withholding of the dividend tax payable. The stock dividend in

the form of shares will be determined after expiry of the option period on the basis of the average share price during the last five days of trading of the option period, which will end on 17 May 2016. 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 20 May 2016. 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 Sections 5:3 (2) (d) and 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 26 April 2016, 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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Mr. R.L. (Rokus) van Iperen will resign at the end of the AGM of 26 April 2016 in accordance with the schedule of retirement. The regulations of the Supervisory Board and the articles of TKH state that Mr Van Iperen may be reappointed for a further period of four years. Mr Van Iperen has indicated that he is available for reappointment.

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 vacancy arising from the resignation of Mr. R.L. van Iperen in accordance with the schedule of retirement. The reappointment of Mr. Van Iperen is not subject to a special right of recommendation from the Central Works Council, as described in Section 19 (8) of the company's articles of association. This vacancy must be filled in accordance with the position profile defined for the Supervisory Board. The profile defined for the Supervisory Board is published 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 profile, candidates for nomination as members of the Supervisory Board. The Central Works Council was informed of the vacancy and the accompanying profile and has given notice that it will not avail of its right of recommendation.

- c. The Supervisory Board nominates Mr R.L. van Iperen 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 discussed the reappointment of Mr. Van Iperen, and its remaining members are 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. The other members of the Supervisory Board consider the reappointment of Mr. Van Iperen to be in the best interests of TKH, given his extensive knowledge gained at international companies, his expertise in the technological field and his experience with listed companies. But also in view of the

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dedication with which he fulfilled his role as member of the Supervisory Board and member of the Remuneration Committee during the past years.

Mr. Van Iperen is 62 and was first appointed member of TKH's Supervisory Board in December 2011. Mr Van Iperen is CEO of Canon Europe and was Chairman of the Board of Executive Directors of Océ NV in Venlo (Netherlands).

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. Van Iperen is of Dutch nationality, and he does not own any shares in TKH.

The Central Works Council was notified well in advance of the convocation of the AGM, 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 chairman of the Central Works Council, or a member of the Central Works Council designated by the chairman, 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 Mr. R.L. van Iperen 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.

## Item 4

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This concerns a proposal to authorise the Executive Board, for a period of 18 months from 26 April 2016 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 for 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 shares/depositary receipts for 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 depository 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 5

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This concerns a proposal to designate the Executive Board, for a period of 18 months commencing on 26 April 2016, as the body that is authorised, subject to the approval of the Supervisory Board, to decide to (i) issue ordinary shares and cumulative financing preference shares, including the granting of rights to subscribe to shares and (ii) restrict or exclude pre-emptive rights, 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, if the issue occurs for general purposes, 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.