

CORPORATE GOVERNANCE

TKH Group N.V. a public limited company under Dutch law and voluntarily applies the limited two-tier entity regime. The management of the company lies with the Executive Board under the supervision of the Supervisory Board. The Executive Board and the Supervisory Board are responsible for the Corporate Governance structure at TKH and compliance with the Dutch Corporate Governance Code ('Code').

In principle, TKH applies the principles and best practice provisions of the Code and attaches great value to the Code. From a limited number of themes, TKH deviates from the Code. An explanation why TKH deviates from the Code is described below.

TERM OF APPOINTMENT OF THE EXECUTIVE BOARD

The term of appointment of the CEO and CFO is not limited to the in the Code mentioned four-year term. For both, TKH takes the position that contractual agreements made in the past cannot be affected, that existing employment contracts are respected and that the limitation of the appointment is not appropriate. Obviously, performance is assessed annually and thus the term of appointment is evaluated. The maximum term of appointment of four years applies to the third member of the Executive Board. A maximum term of four years is followed for newly appointed members of the Executive Board, whereby the best practice provision is applied in such cases.

SHARE PLAN

A share plan is in place for the Executive Board and no option scheme. The share plan involves a financial contribution by the Executive Board since the individual members have to purchase the same number of shares as

the number that has been awarded within the framework of the plan. Because of this financial contribution by the members of the Executive Board, it has been determined that the shares must be held for at least three years. Since this scheme requires a private investment obligation of the individual members of the Executive Board, the Supervisory Board is of the opinion that it is reasonable and fair to adhere to a term of three years and not the term of five years.

INTERNAL AUDIT FUNCTION

TKH has set up an Internal Audit function. The position of the Internal Audit department has not been fulfilled completely independently in accordance with the Code. As of 2021, the Internal Audit team has been expanded, which will give further substance to the independent position.

GENERAL MEETING

Due to the COVID-19 situation, the 2020 General Meeting was forced to be organized in a different setting and TKH made the unusual request to the shareholders and holders of depositary receipts of shares not to attend the General Meeting in person. This request is in line with the Emergency Act on the organization of non-physical AGMs, which makes it possible to hold a General Meeting that can only be followed via live stream. Due to this exceptional situation,

a number of provisions of the Code relating to the organization and implementation of a General Meeting have been forced to deviate. With regard to invoking a response time, TKH applies the adopted law in September 2020 with regard to a 250-day reflection period, above the 180 days specified in the Code. The basic principle here is that the operation and effectiveness of the measures that companies can take to respond adequately to proposals for fundamental strategy changes are achieved.

DEPOSITORY RECEIPTS OF SHARES

Stichting Administratiekantoor TKH Group ('Stichting Administratiekantoor') holds ordinary shares in the company. In exchange for these shares Stichting Administratiekantoor issues depositary receipts for those shares. The voting rights to the shares are vested in Stichting Administratiekantoor. If requested to do so by the holders of depositary receipts, Stichting Administratiekantoor gives them authorization to cast a vote, to the exclusion of Stichting Administratiekantoor, on the shares for which the holder has depositary receipts at a General Meeting of Shareholders specified in the proxy. The authorization is unrestricted and is therefore not subject to any exchangeability limit. Stichting Administratiekantoor is not required by law (article 2:118a of the Netherlands Civil Code) to grant the proxy and may withdraw a proxy that has been given if a) a hostile public offer is announced or made or is expected to be made, b) one or more persons possess at least 25% of the depositary receipts and/or shares, or c) in the opinion of Stichting Administratiekantoor the voting right of a holder of a depositary receipt is fundamentally in conflict with the interest of the company. If Stichting Administratiekantoor avails of one of these possibilities, it must notify the holders

of depositary receipts stating reasons. The company considers the issue of depositary receipts for shares as an important measure to safeguard the interests of shareholders, holders of depositary receipts and other stakeholders. This means that the company's intellectual property and thus also its commercial interest are protected, which is also important in terms of the long-term value creation for our stakeholders. Although the Code states that the issue of depositary receipts is not intended as a protective measure, TKH expressly chooses to take this form of protective measure and acts accordingly as per the applicable law as stated in art. 2:118a of the Dutch Civil Code. This is in derogation to principle of the Code.

Stichting Administratiekantoor exercises the rights attached to the shares in such a way that the interests of the company and its associated businesses and all its stakeholders are protected as well as possible, and does not focus primarily on the interests of the holders of depositary receipts when exercising its voting rights as defined in best-practice provision 4.4.5. of the Code. The Stichting Administratiekantoor thus exercises its voting right in line with legal provision 2:118a. In the General Meeting of Shareholders, the Executive Committee of Stichting Administratiekantoor may on request issue a statement of its intended voting conduct. A detailed explanation of TKH's Corporate Governance structure can be found on the TKH website.

AUTHORIZATION OF THE EXECUTIVE BOARD

The general powers of the Executive Board arise from legislation and regulations and are laid down in TKH's articles of association.

ISSUE OF SHARES

Shares are issued pursuant to a decision taken by the Executive Board. The decision is submitted to the Supervisory Board for its approval. The extent of this power on the part of the Executive Board is determined by means of a resolution adopted by the General Meeting and does or will not exceed the equivalent of all of those shares in the company's authorized capital which have not yet been issued. During the general meeting held on 7 May 2020 this power was extended until 7 November 2021. The directive applies to issue ordinary shares and cumulative preference financing shares jointly apply up to a total of 10% of the total nominal value of the issued shares at the time of issue.

PURCHASE OF OWN SHARES

Subject to specific conditions stipulated in the company's articles of association and acting pursuant to a decision taken by the Executive Board, the company may acquire (depository receipts of) shares in its own capital in return for valuable consideration being a price equivalent to the sum of, on the one hand, the nominal value which they represent or, on the other, one hundred and ten per cent (110%) of their listed price. The decision is submitted to the Supervisory Board for its approval. During the General Meeting held on 7 May 2020 the power for the company to acquire shares in its own capital was conferred on the Executive Board for a period of 18 months as of that date. Amongst other things, this authorization may be utilized for the purposes of purchasing shares for share and option schemes. TKH announced a share buy-back program of € 25 million in mid-November 2020. The program started on 18 November 2020, has a duration of 4 months and is carried out within the conditions set by the General Meeting

and with the intention to reduce the issued capital in due time. For the execution of the share buy-back program, TKH has concluded a 'Discretionary Management Agreement' with ABN-AMRO to carry out the repurchase of its own shares during open and closed periods, independently of TKH.

PREVENTION OF INSIDER TRADING

In order to ensure that any person who is deemed to be an insider within TKH does not engage in insider trading, TKH has introduced regulations to comply with the European Market Abuse Regulation (EU No. 596/2014 – "MAR"). That group of people has consented in writing to act in accordance with those regulations. The Company Secretary serves as Compliance Officer and oversees appropriate compliance with the legislation and regulations governing insider trading and other compliance risks.