

Remuneration Report TIE Kinetix N.V. 2018

Introduction

The remuneration and the individual contracts of the members of the Board of Management are determined by the Supervisory Board, within the framework of the Remuneration Policy of TIE Kinetix NV (the Remuneration Policy). The Remuneration Policy was adopted by the Annual General Meeting of shareholders on March 27, 2015.

The Remuneration Policy includes all structures and policies related to the remuneration and individual contracts of the members of the Board of Management.

The Remuneration Policy is in line with the Dutch Corporate Governance Code dated December 8, 2016 (the Code) and forms the basis for the Remuneration Plan to be determined by the Supervisory Board, prior to each financial year of TIE Kinetix NV (October 1 - September 30).

General Principles

The Supervisory Board ensured that the Remuneration Policy and the implementation of each Remuneration Plan, are aligned with the Company's objectives in order to ensure that target setting for senior executives and Executive Board will support the successful realization of the strategy of the Company. At the same time, both the Remuneration Policy itself, and the checks and balances applied in its execution, are designed to comply with the Code and to determine that any risks taken, will be in line with the strategy and risk appetite of TIE Kinetix N.V.

To ensure that the remuneration is linked to performance, a significant proportion of the remuneration package was variable and dependent on the short and long-term performance of the individual Board member. Performance targets were realistic and sufficiently stretching and - particularly with regard to the variable remuneration components - the Supervisory Board ensured that the relationship between the chosen performance criteria and the strategic objectives applied, as well as the relationship between remuneration and performance, were properly reviewed and accounted for, both ex-ante and ex-post.

In accordance with the requirements of the Code, the Supervisory Board has carried out scenario analyses of the possible financial outcomes of meeting target levels, as well as maximum performance levels, and how they may affect the level and structure of the remuneration of the members of the Board of Management. These scenario analyses have been carried out before the targets are set by the Supervisory Board.

A Remuneration Plan 2018

The compensation with respect to financial year 2018 has been determined in accordance with the Remuneration Policy as adopted by the Annual General Meeting of shareholders on March 27, 2015.

The Supervisory Board is of the opinion that the Remuneration Plan 2018 contributes to the achievement of the long-term objectives of the Company and its affiliated enterprises. The Remuneration Policy was explained and adopted at the Annual General Meeting of shareholders on March 27, 2015 and provides a structure that retains and motivates the current members of the Executive Board by providing a well-balanced and incentive-based compensation.

The Short Term Incentive for 2018 as presented at the Annual General Meeting of shareholders on March 30, 2018 consisted of:

- 100 % of Base Management Fee / Salary when targeted EBITDA is met in 2018;

The Long Term Incentive for 2018 as presented at the Annual General Meeting of shareholders on March 30, 2017 consisted of:

- 25 % of Base Management Fee / Salary in Shares TIE Kinetix N.V. when targets of Performance Share Plan are met in 2018.

Report Remuneration Plan Executive Board 2018

(in K €)	CEO	CFO
Base Management Fee / Salary	€ 250	€ 200
Annual performance based variable pay (Short Term Incentive)	€ 104-	€ 100
Other Benefits (car expenses)	€ 20	€ 18
Total	€ 374	€ 318
Pension	-	€ 25
Performance Share Plan	-	-

Shares & Options

Per September 30, 2018, the CEO owns in total 34.404 shares in TIE Kinetix N.V.

In FY 2018, the CEO has not been granted Options or Warrants to acquire shares in TIE Kinetix N.V. In prior years, the CEO has been granted the following Options / Warrants to acquire shares in TIE Kinetix N.V.:

	Issue Date	Options Granted	Warrants Granted	Forfeiture	Outstanding Options	exercise price	Maturity Date
2009 Management Board	mrt 11, 2009	7.500	-	-	7.500	€ 10,00	mrt 11, 2019
2010 Management Board	mrt 10, 2010	7.500	-	-	7.500	€ 19,10	mrt 10, 2020
2010 Management Board	aug 31, 2010	300	-	-	300	€ 10,00	aug 31, 2020
2013 Management Board	mrt 13, 2013	5.000	-	-	5.000	€ 10,00	mrt 13, 2023
2013 Warrants	dec 2, 2013	-	11.428			€ 7,00	dec 2, 2023
Total		22.482	11.428	1.333	21.148		

Per September 30, 2018, the CFO owns 1.686 shares in TIE Kinetix N.V.

In FY 2018, the CFO has not been granted Options or Warrants to acquire shares in TIE Kinetix N.V.

Early retirement arrangements

The Executive Board has no arrangements for early retirement.

Remuneration Supervisory Board 2018

The remuneration of the members of the Supervisory Board remained unchanged in 2018 and amounts to € 20.000 per annum for the Chairman and € 10.000 per annum for the other members of the Supervisory Board.

Due to the resignation of the Supervisory Board, the remuneration of the members of the previous Supervisory Board was terminated as from January 15, 2018 and calculated on a pro rata basis. The remuneration of the members of the new Supervisory Board amounts the same as the previous Supervisory Board and will be calculated on a pro rata basis as from the appointment by the Annual General Meeting of Shareholders on July 13, 2018.

B *Remuneration Plan in Financial Year 2019*

The Remuneration Policy (version November 18, 2015) was published on the Company's website.

The Remuneration Plan 2019 has been determined by the Supervisory Board and is based upon the most recent Remuneration Policy and will be presented at the Annual General Meeting of shareholders on March 31, 2019.

The Supervisory Board has reviewed the financial consequences of the Remuneration Plan 2019 and is of the opinion that no material financial risks will occur for TIE Kinetix N.V.

The Supervisory Board has set the Personal Targets and Business Targets for the Remuneration Plan 2019 and considers these targets as ambitious but realistic for the Executive Board.

The Supervisory Board considers the Personal Targets and Business Targets sufficient measurable and to be a balanced mix of performance criteria and strategic objectives.

The Supervisory Board has decided that the remuneration 2019 of the Executive Board will consist of:

(in K €)	CEO	CFO
Base Management Fee / Salary	€ 250	€ 200
Annual performance based variable pay with maximum of 50 % of Base Management Fee / Base Salary. Annual performance based variable pay consists of Personal Targets and / or EBITDA as determined by the Supervisory Board	To be decided by Supervisory Board, based upon evaluation of targets	
Pension	€ -	€ 25
Other Benefits (car expenses	€ 20	€ 18

Long Term Incentive 2016 - 2019

The long-term incentive plan is subject to the Performance Share Plan as determined by the Supervisory Board.

Under the Performance Share Plan, shares are conditionally granted to the members of the Board of Management and other Key Employees. Vesting of these shares is conditional on the achievement of performance targets.

Key elements of the Performance Share Plan were:

- Open to the Executive Board, the Management Team and other Key Employees.
- Shares are conditionally granted only, subject to The Performance Share Plan.
- Conditions to be met are based on realized targets tied to TIE Kinetix' Strategy and Innovation.
- Targets are determined by TIE Kinetix Supervisory Board and auditable.
- Vesting period is 1/3 per year for a three years period.
- After vesting a two year lock up period applies.

As at year end 2018, the Performance Share Plan has reached maturity and has no further grants.

Overview execution Performance Share Plan as from FY 2017

FY	Consideration	Shares granted to CEO (personal management BV)	Shares granted to CFO
2017	Performance over FY 2016, shares granted in FY 2017	4.390 (gross)	1.686 (net)
2018	Performance over FY 2017, gross shares granted in FY 2018*	€ 19.574 (gross)	€ 15.659 (gross)
2019	Performance over FY 2018	-	-

* The grant of Shares in FY 2018 are gross and the agreement includes a provision to sell shares granted to cover the personal income taxes of the individuals on the grants as the case may be. Therefore, there is quite an administrative process required to withhold taxes, sell shares and make sure that the payroll aspects in all four jurisdictions are taken care of. In view of the very limited grant size over the performance in FY 2017, the administrative burden calls for a more practical approach in FY 2018. Therefore, it is decided to convert the Performance Share Plan grants of 2017 in FY 2018 in a cash grant.