

## REMUNERATION REPORT 2019

This remuneration report has been prepared by the remuneration committee of the Supervisory Board. The responsibility of this committee is to prepare the decision-making of the Supervisory Board regarding the remuneration policy and the determination of the remuneration of individual members of the Board of Management within the framework of the remuneration policy. The Supervisory Board remains responsible for the decisions. The members of the remuneration committee are Anja Montijn (chair), Antonio Campo and Harrie Noy.

This remuneration report contains:

- Current remuneration policy for the Board of Management
- Remuneration of the Board of Management in 2019, based on application of the policy in 2019
- Internal pay ratio and 5-year analysis
- Terms of appointment of the members of the Board of Management
- Remuneration Board of Management per 2020
- Remuneration of the Supervisory Board.

Further information on the remuneration and on option and share ownership of members of the Board of Management and members of the Supervisory Board is available in note 39 of the financial statements in this annual report. The remuneration policy and the remuneration charter, which is included in the Supervisory Board rules, are posted on Fugro's website.

This report takes into account the revised Shareholders' Rights Directive published in May 2017 as implemented into Dutch law per 1 December 2019. Reporting requirements arising from the new guidelines for standardised presentation of the remuneration report, which are expected to be released by the European Commission in 2020, will be incorporated after they have come into force.

The Supervisory Board has decided in December 2019 to reduce Fugro's Board of Management to the CEO and CFO positions only. Until the annual general meeting of shareholders (AGM) in 2020, the Board of Management consists of three persons.

The remuneration policy and the remuneration committees' charter, which is included in the Supervisory Board's rules, are posted on Fugro's website.

### REMUNERATION POLICY FOR THE BOARD OF MANAGEMENT

The main objective of Fugro's remuneration policy is to attract, motivate and retain qualified management that is needed for a global company of the size and complexity of Fugro. The members of the Board of Management are rewarded accordingly. The remuneration policy aims at compensation in line with the median of the labour market reference group. Variable remuneration is an important part of the total package.

The policy supports both short and long-term objectives, whereas the emphasis is on long-term value creation for Fugro and its stakeholders. It contributes to this long-term value creation by not only focusing on financial targets, but also on non-financial targets.

The current remuneration policy was first adopted by the AGM in 2014 and has since been adjusted twice, most recently by the AGM in 2017. The remuneration policy will be reviewed regularly to verify its market conformity, potentially leading to adjustments. In line with the new Shareholders' Rights Directive, it will be put forward for adoption at the AGM at least every four years.

#### Labour market reference group

In preparing the remuneration policy and to determine the remuneration of the members of the Board of Management, the remuneration committee uses external benchmark information to assess market comparability of the remuneration. The labour market reference group consists of 14 Dutch listed companies of comparable scope with international/ global business activities. These are currently Aalberts Industries, Accell Group, AMG, Aperam, Arcadis, ASM International, BAM Group, Boskalis, Brunel, Corbion, SBM Offshore, TKH Group, TomTom and Vopak. In addition, an international group has been used to assess market competitiveness within the sector, especially regarding short- and long-term incentive levels.

The remuneration committee periodically evaluates the composition of the labour market reference group, amongst others, in light of corporate events and overall fit. Companies removed from the reference group will be replaced by other listed companies of comparable scope with international/ global business activities with the objective to position Fugro around the midpoint in terms of the average of the scope parameters revenues, market capitalisation, assets and employees. In 2019 it was decided to replace Refresco Group (delisted) by AMG and Wolters Kluwer (too large) by Corbion.

### Analyses

In the design of the remuneration policy and in determining the remuneration of the members of the Board of Management, the Supervisory Board takes into consideration:

- Fugro's purpose, vision and strategy
- Related strategic enablers and Fugro's values
- Internal pay differentials
- Scenario analyses, indicating possible outcomes of the variable remuneration elements and how these may affect the remuneration
- Performance indicators relevant to the long-term objectives of the company.

Furthermore, Fugro considers sustainable development as an important driver to help create a safe and liveable world. This requires balancing the short- and long-term interests of stakeholders and integrating social and environmental factors, as included in the strategic agenda.

The remuneration structure and elements do not encourage risk taking that is not in line with Fugro's strategy and risk appetite. The remuneration committee takes note of individual Board of Management

members' views with regard to the level and structure of their remuneration.

### Remuneration elements

The remuneration of the Board of Management consists of the following four elements:

- Fixed base salary
- Short-term incentive (STI), consisting of an annual cash bonus opportunity
- Long-term incentive (LTI), consisting of conditional performance shares
- Pension and other benefits.

The principles of the remuneration policy are cascaded to the next senior management level.

### Fixed base salary

Fixed base salaries of the members of the Board of Management are determined by the Supervisory Board (based on advice of the remuneration committee) and set in line with the median of the labour market reference group. Once a year, the Supervisory Board determines whether, and if so, to what extent the base salaries will be adjusted. Regularly, the outcome of external benchmarking by an independent consultant is taken into consideration.

### Short-term incentive (STI, annual bonus)

Each member of the Board of Management is eligible for an annual bonus. The bonus may vary from 0% to 100% of fixed base salary, with 67% being applicable when targets are achieved. The STI is linked to financial targets (75%) and to non-financial (personal) targets (25%). The non-financial targets give the possibility to take for example health and safety, sustainability and personal development goals into consideration.

To ensure continued alignment of the STI with Fugro's strategy and to enable adequate responses to the challenges Fugro is facing, flexibility with respect to the STI targets is important. Therefore, at the beginning of each financial year, the Supervisory Board will set the STI targets, based on the budget and taking into account the strategic goals of the company.

The Supervisory Board will also determine the relative weight for the selected targets and the applicable performance zones for each target (financial and non-financial). These performance zones determine the performance level:

- Below which no pay-outs are made
- At which 100% pay-out is made
- At which the maximum pay-out is made.

There will be no overshoot possibility for the non-financial targets. The maximum for the financial targets is therefore 1.67. The Supervisory Board ensures that the targets are challenging, realistic and consistent with Fugro's strategic goals.

After the end of the financial year, the remuneration committee determines to what extent the targets have been met. The Supervisory Board, following a proposal from the remuneration committee, will decide upon the STI to be awarded over the past financial year. The STI, if any, is paid after adoption by the AGM of the financial statements.

As per 2020, the metrics that will be used for the financial targets and their weighting will be disclosed at the beginning of the financial year, in the remuneration report regarding the previous year. Due to this additional disclosure, the existing list of six possible financial metrics from which the Supervisory Board can make a selection, has been rendered superfluous. After the end of the financial year, the performance on each

of the metrics will be disclosed as a percentage of target performance. The performance incentive zones qualify as sensitive information and will not be disclosed.

### Long-term incentive (LTI, performance shares only)

To strengthen the alignment with shareholder's interests, the LTI consists of performance shares which are conditionally granted annually to members of the Board of Management (and to other senior management). These shares vest after three years, conditional on the achievement of predetermined targets, which are focused on long-term value creation. Vesting is also subject to continuous employment with exceptions in connection with retirement, long-term disability and death.

The number of granted performance shares is set for a period of three years in 2018. The principle being that the expected value as percentage of fixed base salary of the members of the Board of Management is as follows:

- CEO: 100%
- CFO: 90%
- Any other member: 80%.

A new three year period started with the grant on 1 March 2018.

Conditional grants under the LTI are made each year in the open period immediately following the publication of the annual results. The performance period is from 1 January of the year of granting to 31 December three years later. The maximum number of shares that can vest after three years equals 175% of the conditionally granted number of shares (only in the case that maximum performance is achieved on all criteria). As of the granting in 2018, the criteria used for vesting and their relative weight are as follows:

- Total shareholder return (TSR): 37.5%
- Return on capital employed (ROCE): 37.5%
- Strategic target: 25%.

TSR is defined as the share price increase, including reinvested dividends. TSR is measured over a three-year (calendar year) period based on a three-month average of the last three months of the year before grant and before vesting date. The relative position within the peer group determines the award level. The composition of the peer group is evaluated on a yearly basis, amongst others, in light of corporate events, and comprises Arcadis, Boskalis, Core Laboratories, Fluor, John Wood Group, Oceaneering International, Schlumberger, Subsea 7, TechnipFMC, Transocean and WorleyParsons.

Each year at granting, the Supervisory Board will determine the performance criteria with respect to ROCE, taking into account the ROCE target for the year of vesting. Return will be based on NOPAT, excluding impairments; capital employed will be corrected for impairments (these will be set back when applying the vesting criteria).

The strategic target is part of the LTI as achieving strategic goals is an important driver for long-term value creation. Each year at granting, the Supervisory Board will set a strategic target to be achieved in the coming three year period. These targets will be derived from Fugro's strategy to create long-term value for its shareholders and other stakeholders. Examples would be a target related to Fugro's long-term goal to develop more business opportunities outside the oil and gas market or a target related to new business development based on innovative technology.

Achievement of the performance targets is determined by the Supervisory Board in the first quarter of the year following the three-year performance period. The vesting period starts at the first day following the grant date. Vested shares have a holding (lock-up) period of 2 years and may be partly sold only to meet tax requirements at vesting. The holders of performance shares are not entitled to shareholders' rights, including the right to dividends, during the period between granting and vesting.

### Pension and other benefits

The pension contribution for the members of the Board of Management is in line with market practice. In accordance with Dutch law, tax deductible pension accruals are only possible for the part of salary up to EUR 107,593 (2019). Members of the Board of Management are compensated by a non-tax

### Total shareholder return ranking (weight: 37.5%) and applicable vesting (% of conditional award)

Ranking	12	11	10	9	8	7	6	5	4	3	2	1
Vesting	0%	0%	0%	0%	0%	25%	50%	75%	100%	125%	150%	175%

deductible, age dependent pension contribution, which allows building up pension out of net salary, resulting in pension costs for Fugro at a similar level as before the legislative changes per 1 January 2015.

In 2019, Fugro transferred all employees in the Netherlands to a new defined contribution plan up through the legal maximum pensionable salary. The Board of management also participates in this plan up through the legal maximum.

The fringe benefits of the members of the Board of Management are commensurate with the position held and include expense and relocation allowances, a company car and health and accident insurance.

Fugro does not grant loans, advance payments or guarantees to members of the Board of Management.

### Claw back and value adjustment

Pursuant to section 2:135 paragraph 6 of the Dutch Civil Code (DCC), the Supervisory Board is authorised to adjust a variable remuneration component to an appropriate level if payment of that variable remuneration component would be unacceptable according to standards of reasonableness and fairness. Pursuant to section 2:135 paragraph 8 DCC, Fugro is authorised to claw back a variable remuneration component in full or in part to the extent the payment was made on the basis of incorrect information with respect to the achievement of the targets on which the variable remuneration component was based or with respect to the circumstances on which this variable remuneration component was dependent.

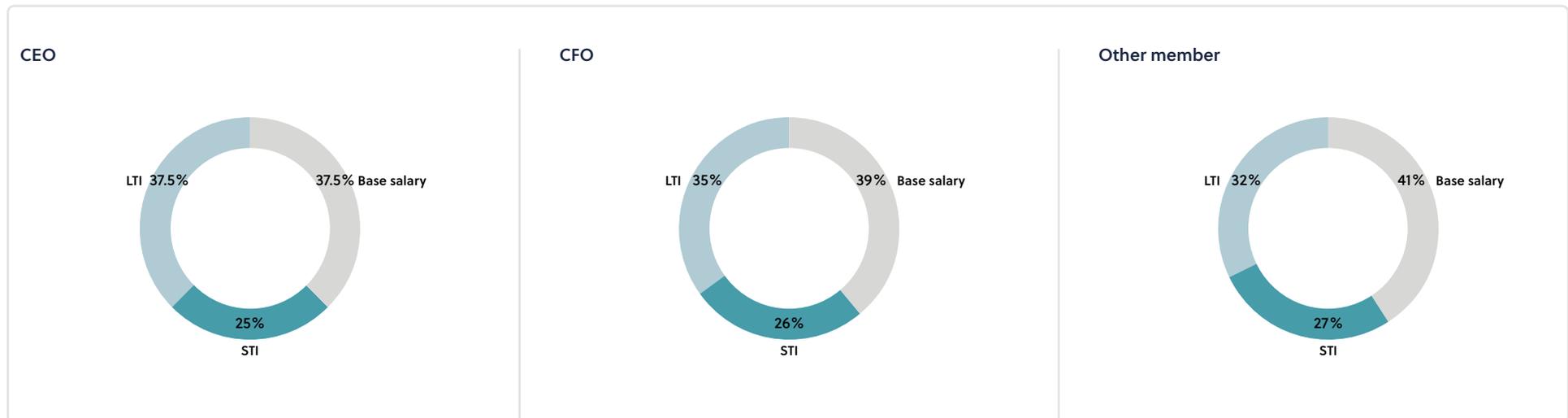
### Share ownership guidelines

The Supervisory Board encourages the Board of Management to hold shares in Fugro to emphasise their confidence in Fugro and its strategy. Since 2014, minimum share ownership guidelines are applicable. For the CEO this amounts to 250% of fixed base salary and for the other members of the Board of Management this amounts to 125% of fixed base salary. The target period to achieve these levels is 5 years, but in practice timing will (also) depend on share price developments and the vesting of shares and options that have been granted under the LTI program.

### Ratio between fixed and variable pay

Based on Fugro's remuneration policy as described above, the following pie charts represent the pay mix for the CEO, the CFO and the other board member in case of 'at target' performance.

### Ratio between fixed and variable pay



## REMUNERATION BOARD OF MANAGEMENT IN 2019

### Fixed base salary

In 2019, the fixed base salaries of the members of the Board of Management have not changed.

### Short-term incentive

The remuneration committee evaluated the performance of the Board of Management in 2019 in relation to the targets that had been set for the year. The financial metrics applied for the STI in 2019 were: adjusted EBIT margin, working capital percentage and adjusted cash flow after investments. The actual 2019 performance in relation to the performance zones that had been set for each of the **financial** targets, resulted in a bonus of 51.85% of the 2019 fixed base salary. Fugro decided not to disclose the performance zones as this is considered competitive sensitive information.

The **personal** targets consisted of specific targets for each individual board member and were related to:

- for CEO: the change of the leadership structure, the implementation of the sustainability road map and diversity policies and initiatives throughout the company
- for CFO: shared services centers, implementation of robotics process automation and upgrade of management information systems
- for CDO: implementation of business line strategies, strengthening of commercial capabilities, account management and project management.

For each of the board members also a target regarding HSSE was applicable.

The evaluation of performance on these **personal** targets resulted in a bonus of 5.8% to 15.0% of 2019 fixed base salary. The total of **financial** and **personal**

targets would result in a bonus of 57.7% to 66.9% of fixed base salary. As earnings per share of Fugro were negative in 2019, the remuneration committee proposed to reduce the bonuses to 72.5% of the calculated amounts, in line with the practice applied to

other senior staff in Fugro that are eligible for a bonus. This resulted in a bonus for the members of the Board of Management of 41.8% to 48.5% of fixed base salary. On 18 February 2020, the Supervisory Board discussed the proposal of the remuneration committee and agreed with it.

### Performance Board of Management on short term incentive targets 2019

	Weight	Achievement versus target	Bonus as % of base salary
Adjusted EBIT margin	35%	67%	15.6%
Working capital as % of 4 times Q4 revenue	20%	137%	18.2%
Adjusted cash flow after investments	20%	136%	18.1%
Personal targets	25%	35 – 90%	5.8 – 15.0%
<b>Total</b>			<b>57.7 – 66.9%</b>

### Long-term incentive

Until 2014, the long-term incentive (LTI) for the members of the Board of Management and other senior management consisted of unconditional options with a vesting period of three years and a lifetime of six years. As of 2014, the LTI was changed into a mix of conditional performance shares and performance options. These have been granted per 31 December 2014, 2015 and 2016. As of 2017, the form of conditional grants has been changed – in line with market practice – from a mix of performance shares and performance options to conditional grants in the form of performance shares only. Furthermore, the moment on which LTI grants are made was shifted to the open period immediately following the publication of the annual results, instead of as per 31 December. As a result, the grants at the end of 2017 were shifted to

1 March 2018. These changes as of 2017 have been approved by the AGM in 2017.

The following table shows an overview of unconditional options, granted under the 'old' unconditional option plan, held by members of the Board of Management who were in office in 2019. As of 2014 no unconditional options were granted anymore to members of the Board of Management. At December 31, 2019 all outstanding conditional options expired.

## Long-term incentive

<b>Unconditional options</b>	<b>M.R.F. Heine</b>	<b>P.A.H. Verhagen</b>	<b>B.M.R. Bouffard</b>	<b>P. van Riel</b>
Outstanding on 31 December 2018	28,500	30,000	n/a	55,000
Exercised in 2019	0	0	n/a	0
Expired with no value on 31 December 2019	28,500	30,000	n/a	55,000
Outstanding on 31 December 2019	0	0	n/a	0

The vesting date of the performance shares and performance options granted as per 31 December 2015 was 4 March 2019. On 22 February 2019, following the advice of the remuneration committee, the Supervisory Board decided that the targets for vesting of these performance shares and performance options were not achieved because the ROCE target (50% weight) was below the threshold and the TSR ranking (50% weight) was below 7. As a result, these performance shares and performance options did not vest on 4 March 2019 and expired.

The following table shows an overview of conditional performance shares and performance options held by members of the Board of Management who were in office in 2019 and the former CEO who left the organisation in 2018.

The following table shows an overview of shares held by the current members of the Board of Management. The numbers include for each member 6,250 restricted shares with a vesting period of 3 years as of 1 March 2018 and thereafter a lock-up period of 2 years. These restricted shares were granted per 1 March 2018 as bonus for the performance regarding 2017 (approved by the AGM in 2018).

## Number of shares

	<b>M.R.F. Heine</b>	<b>P.A.H. Verhagen</b>	<b>B.M.R. Bouffard</b>
31 December 2018	22,350	28,730	15,750
31 December 2019	22,350	28,730	15,750

## Long-term incentive

	<b>M.R.F. Heine</b>	<b>P.A.H. Verhagen</b>	<b>B.M.R. Bouffard</b>	<b>P. van Riel</b>
<b>Performance shares</b>				
Outstanding on 31 December 2018	54,500	62,500	43,250	20,000
Not vested on 4 March 2019 as a result of not achieving the targets	(11,250)	(11,250)	n/a	(12,500)
Granted on 4 March 2019	58,000	40,000	32,000	0
Outstanding on 31 December 2019	101,250	91,250	75,250	7,500

## Performance options

Outstanding on 31 December 2018	45,000	45,000	22,500	40,000
Not vested on 4 March 2019 as a result of not achieving the targets	(22,500)	(22,500)	n/a	(25,000)
Outstanding on 31 December 2019	22,500	22,500	22,500	15,000

### Vesting of 2016 performance shares and options

On February 26, 2020 the 2016 LTI plan including performance shares and performance options vested for the Board of Management and other senior management. The TSR target resulted in a 25% vesting and the ROCE target resulted in a 12.5% vesting.

The total vesting over the period 2017–2019 therefore amounted to 37.5%.

The table below shows the vested performance shares and performance options for the Board of Management.

### Total remuneration Board of Management in 2018–2019

The table below gives an overview of the remuneration of the Board of Management in 2018–2019. In this table the value of the LTI is not based on the vesting of shares and options in 2020 but on the value of the performance shares granted in March 2019 as included in the financial statements.

### Other benefits

The additional benefits remained unchanged in 2019.

### Long-term incentive

	M.R.F. Heine	P.A.H. Verhagen	B.M.R. Bouffard	P. van Riel <sup>1</sup>
<b>Performance shares</b>				
Grant December 31, 2016	11,250	11,250	11,250	7,500
Vested per February 26, 2020	4,219	4,219	4,219	2,813
<b>Performance options</b>				
Grant December 31, 2016	22,500	22,500	22,500	15,000
Vested per February 26, 2020	8,438	8,438	8,438	5,625

<sup>1</sup> Prorated for 50% due to end of service per June 30, 2018.

### Remuneration Board of Management 2018–2019

(in EUR)	M.R.F. Heine <sup>2</sup>		P.A.H. Verhagen <sup>3</sup>		B.M.R. Bouffard		P. van Riel <sup>4</sup>		Ø. Løseth <sup>5</sup>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Fixed base salary	660,000	502,500	500,000	483,336	450,000	450,000	–	300,000	–	590,000
Short-term incentive (STI) <sup>1</sup>	320,000	151,000	242,500	145,000	188,198	121,000	–	90,000	–	330,000
Pension costs including disability insurance and related costs	33,935	45,469	36,207	59,890	33,935	41,041	–	26,084	–	137,608
Pension compensation	62,345	61,042	78,638	76,841	68,090	66,567	–	48,189	–	n/a
Severance					450,000		–		–	
Sub Total	1,076,280	760,011	857,345	765,067	1,190,223	678,608	–	464,273	–	1,057,608
Long-term incentive plan <sup>6</sup>	382,541	261,050	366,799	288,968	299,853	197,150	–	223,936	–	n/a
<b>Total</b>	<b>1,458,821</b>	<b>1,021,061</b>	<b>1,224,144</b>	<b>1,054,035</b>	<b>1,490,076</b>	<b>875,758</b>	<b>–</b>	<b>688,209</b>	<b>–</b>	<b>1,057,608</b>

<sup>1</sup> STI 2019 is related to 2019 performance, paid in 2020; STI 2018 is related to 2018 performance, paid in 2019.

<sup>2</sup> As of 1 October 2018, Mr. Heine became CEO and his annual fixed base salary was increased from EUR 450,000 to EUR 660,000 gross per year.

<sup>3</sup> As of 26 April 2018, the annual fixed base salary of Mr. Verhagen was increased from EUR 450,000 to EUR 500,000 gross per year.

<sup>4</sup> Mr van Riel management services agreement ended 30 June 2018. The amounts shown cover the period through 30 June 2018.

<sup>5</sup> Mr Løseth management services agreement ended 31 December 2018. The amounts shown cover the period through 31 December 2018 including contractually agreed bonus.

<sup>6</sup> The LTI includes the vested plans in 2019 (see note 12 financial statements).

## INTERNAL PAY RATIO AND 5-YEAR ANALYSIS

### Pay ratios

In designing the remuneration policy, the pay ratios within Fugro are taken into consideration. An external consultant assisted in developing an approach to review internal pay ratios and, more specifically, the internal pay ratio between the CEO and the average of the employees for the relevant year. Based on the value of the actual long-term incentive awarded to the CEO in 2019, Fugro continued to have a pay ratio of 20 (2018: 20), implying that the CEO pay was 20 times the average pay within the organisation. The average pay takes into account all employee costs, i.e. salaries, variable pay, pensions and other benefits. Based on the expected value of the CEO's long-term incentive at target vesting, the pay ratio would have been 29 (2018: 26).

### 5-year analysis

Due to the economic circumstances and the business environment, Fugro had limited salary increases for all employees from 2015 through 2017. In 2018, Fugro adjusted salaries at 80% of market movement and in 2019 had a regular salary review. The remuneration of the Board did not change during their four year appointment and changed only as a result of the re-appointment in 2018 of Paul Verhagen and the appointment of Mark Heine as CEO in 2019. The table below shows the overall Board remuneration for five years compared to personnel expenses and company performance. For a better comparison it was decided not to include the IFRS value of the LTI program. For 2018 and 2019, these can be found in the table on the bottom of page 111.

## Remuneration Board of Management 2015–2019

### Five year remuneration Board of Management compared to company performance<sup>1</sup>

		2019	2018	2017	2016	2015
M.R.F. Heine <sup>2</sup>	Remuneration	1,076,280	760,011	628,123	633,530	687,738
	% change	42%	21%	(1%)	(8%)	–
P.A.H. Verhagen <sup>3</sup>	Remuneration	857,345	765,067	659,968	665,720	626,797
	% change	12%	16%	(1%)	6%	–
B.M.R Bouffard <sup>4</sup>	Remuneration	740,025	678,608	633,993	487,673	
	% change	9%	7%	30%		
Adjusted EBITDA	actual	184.9	120.4	100.8	189.5	353.0
Employees	Personnel expenses	668,528	625,765	629,572	694,436	809,130
	% change	7%	(1%)	(9%)	(14%)	–

<sup>1</sup> Remuneration includes base salary, short term incentive, pension and pension contribution.

<sup>2</sup> Appointed CEO in October 2018.

<sup>3</sup> Reappointed CFO at AGM 2018.

<sup>4</sup> Appointed to the Board of Management at AGM 2016.

## TERMS OF APPOINTMENT OF THE MEMBERS OF THE BOARD OF MANAGEMENT

When members of the Board of Management are nominated for (re)appointment, the nomination is for a maximum period of four years. Members of the Board of Management deliver their services under a management services contract.

For termination of contract, a three months' notice period is applicable for both Fugro and the members of the Board of Management. The current appointments expire as follows:

M.R.F. Heine (CEO)	AGM 2023
P.A.H. Verhagen (CFO)	AGM 2022
B.M.R. Bouffard	AGM 2020

In December 2019, the Supervisory Board has decided to reduce Fugro's Board of Management to the CEO and CFO positions only. Therefore, Brice Bouffard, whose term as member of the Board of Management finishes at the AGM on 30 April 2020, will not be nominated for re-election. In accordance with his contract, Mr. Bouffard will receive a severance payment of one year base salary.

### Severance pay

Severance payment for members of the Board of Management is limited to one year's fixed base salary and is in principle applicable in the event of termination or annulment of the management services agreement, unless this is for cause. No severance payment will apply if the agreement is terminated at the initiative of the member of the Board of Management.

Severance payment is also applicable when the termination is justified by such change of circumstances that the members of the Board of Management cannot reasonably be expected to continue the performance of their function/ services as a statutory director of Fugro. This may be the case, for example, if Fugro is liquidated, is merged with or taken over by a third party, is subject to an important reorganisation or to a major change of policy.

In 2019, no severance payments have been paid or committed to (former) members of the Board of Management, except for the severance payment for Mr. Bouffard that will be paid in 2020.

## REMUNERATION BOARD OF MANAGEMENT PER 2020

The remuneration committee has evaluated the remuneration policy for the Board of Management. Based on that evaluation and taking into account the feedback from stakeholders, the Supervisory Board has agreed with the advice of the remuneration committee not to adjust the remuneration policy other than required by the revised Shareholders' Rights Directive. In line with the revised Directive, the existing remuneration policy for the Board of Management, as last adopted in 2017, will be re-submitted for shareholder approval on 30 April 2020.

The following derogation clause is however added to the policy to safeguard that the Supervisory Board can use its discretion to ensure that the short-term and long-term incentive plans continue to support the interests of the company even in exceptional circumstances: 'In exceptional circumstances the Supervisory Board may decide to temporarily deviate from the remuneration policy based on a proposal of its

remuneration committee, when this is necessary to serve the long-term interests and sustainability of the company as a whole or to assure its viability. The derogations can concern the objective setting and pay-out of the short-term and long-term incentive plans.'

In evaluating the remuneration policy, the remuneration committee concluded that the policy still strongly supports Fugro's strategy and company objectives. It is also considered to be well aligned with the external environment in which the company operates as well as with all applicable rules, regulations and best practices. The committee is aware of the public debate surrounding the topic of remuneration, including the debate on internal pay differentials, and strives for broad stakeholder support. In this light, the committee had several discussions with major shareholders and representatives of Dutch institutional and retail investors.

During these discussions it became clear that the policy is generally supported. It is considered to be straightforward, aligned with shareholder interests, aligned with market practice and prudently applied. There is however a call to disclose more information on the objectives of the incentive plans and on the achievements per objective.

As follow up to the discussions, the Supervisory Board has decided to start disclosing the specific financial objectives and relevant weighting for the short-term incentive plan at the beginning of the financial year. For 2020 these are:

- adjusted EBIT margin, weight 35%
- working capital, weight 15%
- business cash flow, weight 15%
- adjusted net profit 10%

After the end of the financial year the performance on each of the objectives as a percentage of target performance will be disclosed. For 2019, this can be found on page 109.

## REMUNERATION SUPERVISORY BOARD

### Remuneration policy for the Supervisory Board

On the basis of the revised Shareholders' Rights Directive, the remuneration policy for the Supervisory Board will be submitted for adoption to the AGM of 2020. The current remuneration of the Supervisory Board was determined by the AGM in 2011.

The Supervisory Board draws up the Supervisory Board remuneration policy based on advice from its remuneration committee. The remuneration policy will be evaluated regularly and will be put forward for adoption by the AGM at least every 4 years.

The Supervisory Board remuneration policy is geared to attract and retain members that contribute to the desired composition with regard to expertise, experience, diversity and independence, as set out in the profile of the Supervisory Board. The policy aims to reward Supervisory Board members for the time spent and the responsibilities of their role, including but not limited to the responsibilities imposed by the Dutch Civil Code, Dutch Corporate Governance Code and the articles of association.

The remuneration for Supervisory Board members consists of the following elements:

- a fixed remuneration and a committee fee, which varies for the Chair, Vice-Chair and members, to reflect the time spent and the responsibilities of the role

- an attendance allowance per meeting held outside the country of residence, to compensate for additional time spent to attend meetings
- a reimbursement for actual costs in the performance of the duties for Fugro.

Committee impact and responsibility is deemed to be comparable, hence no difference in committee fees. For remuneration purposes, the remuneration committee and the nomination committee are considered a combined committee.

The remuneration committee uses external benchmark information to assess market comparability of the remuneration. Remuneration levels are aimed at the median of Dutch listed companies with a two-tier board structure comparable in size and scope.

#### Remuneration Supervisory Board

Fixed remuneration per year	<ul style="list-style-type: none"> <li>▪ Chairman EUR 70,000</li> <li>▪ Vice-Chairman EUR 55,000</li> <li>▪ Member EUR 50,000</li> </ul>
Committee fee per year	<ul style="list-style-type: none"> <li>▪ Chairman EUR 10,000</li> <li>▪ Member EUR 8,000</li> </ul>
Attendance allowance for meetings outside country of residence	EUR 5,000 per meeting
Expenses	Reimbursement of actual incurred costs

This overview reflects standing remuneration practice, except for the attendance allowance that currently only applies to members that live or have business in the United States.

The remuneration is not dependent on the results of Fugro. Members of the Supervisory Board will not be

awarded remuneration in the form of shares and/or rights to shares. In addition, Fugro does not grant loans, advance payments, guarantees, shares or rights to shares.

In exceptional circumstances the Supervisory Board may decide to temporarily deviate from its remuneration policy based on a proposal of its remuneration committee. The derogations can concern increasing remuneration and/or committee fees in case a significant increase in time investment by its members is necessary to serve the long-term interests and

sustainability of the company as a whole, or to assure its viability, e.g. in case someone is asked to act as delegated member of the Supervisory Board. In such a case the additional remuneration will be EUR 1,500 per half-day.

#### Remuneration of the Supervisory Board in 2019

The following table provides an overview of the remuneration awarded to the members of the Supervisory Board in 2019. For the past 5 years the remuneration level did not change.

#### Remuneration Supervisory Board 2019

(x EUR)	Fixed fee	Committee fee	Attendance allowance	Total
H.L.J. Noy (chairman)	70,000	10,000	–	80,000
J.C.M. Schönfeld (vice-chairman)	55,000	10,000	–	65,000
A.J. Campo	50,000	8,000	30,000	88,000
P.H.M. Hofsté	50,000	8,000	–	58,000
A.H. Montijn	50,000	10,000	–	60,000
D.J. Wall	50,000	8,000	30,000	88,000

Members of the Supervisory Board currently do not hold shares or rights to shares in Fugro.

Leidschendam, 18 February 2020

On behalf of the remuneration committee  
Anja Montijn  
Chair