

Remuneration Committee Rules

12 May 2017

RULES FOR THE REMUNERATION COMMITTEE

Informal translation

DEFINITIONS AND INTERPRETATION

Articles of Association	means the articles of association of the Company, as amended from time to time;
Company	means Koninklijke VolkerWessels N.V.;
Dutch Corporate Governance Code	means the Dutch corporate governance code dated 8 December 2016, as amended from time to time;
General Meeting	means the corporate body that consists of the Shareholders and all other persons with meeting rights or the meeting in which the Shareholders and all other persons with meeting rights assemble;
Management Board	means the management board (<i>raad van bestuur</i>) of the Company;
Remuneration Committee	means the remuneration committee of the Supervisory Board;
Remuneration Committee Rules	means these rules for the Remuneration Committee, as amended from time to time;
Scenario Analyses	means analyses, conducted by the Supervisory Board when formulating the remuneration policy and before determining the remuneration of individual Management Board members, of the possible results of the variable remuneration components and the way in which this affects the remuneration of the Management Board members;
Shareholders	means one or more holders of Shares;
Shares	means the issued shares (<i>geplaatst kapitaal</i>) in the share capital of the Company;
Supervisory Board	means the supervisory board (<i>raad van commissarissen</i>) of the Company;
Supervisory Board Rules	means the rules for the Supervisory Board, as amended from time to time.

1. Duties and responsibilities of the Remuneration Committee

- 1.1. The Remuneration Committee prepares the Supervisory Board's decision-making regarding the determination of remuneration and reports to the Supervisory Board on its deliberations and findings.

Remuneration of the Management Board members

- 1.2. The Remuneration Committee submits a clear and understandable proposal to the Supervisory Board concerning the remuneration policy to be pursued with regard to the Management Board.
- 1.3. The following aspects will in any event be taken into consideration when formulating the remuneration policy:
- a. the requirements set out in sections 2:383c to 2:383e (inclusive) of the Dutch Civil Code;
 - b. the objectives for the strategy for the implementation of long-term value creation;
 - c. the Scenario Analyses carried out in advance. The Supervisory Board establishes whether the Scenario Analyses result in appropriate levels of remuneration, and whether measures are required to limit the remuneration;
 - d. the pay ratios within the Company and its affiliated enterprise, i.e. the ratio between the remuneration of the Management Board members and that of a representative reference group determined by the Company, along with whether there have been any changes in these ratios compared to the previous financial year;
 - e. the development of the market price of the Shares;
 - f. an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
 - g. if Shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and
 - h. if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded; and
 - i. material benefits awarded in exceptional cases.
- 1.4. The Remuneration Committee submits a proposal to the Supervisory Board concerning the remuneration of individual members of the Management Board. The proposal is drawn up in accordance with the remuneration policy

that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the Scenario Analyses that are carried out and the pay ratios within the Company and its affiliated enterprise. The inadequate performance of duties will not be rewarded.

- 1.5. When drafting the proposal for the remuneration of Management Board members, the Remuneration Committee takes note of individual Management Board members' views with regard to the amount and structure of their own remuneration. The Remuneration Committee asks the Management Board members to pay attention to the aspects referred to in article 1.3 of these Remuneration Committee Rules. The Management Board members' views on their own remuneration are for the Remuneration Committee, and do not form part of the account given of the implementation of the remuneration policy.
- 1.6. The remuneration in the event of dismissal of Management Board members will not exceed one year's salary (the 'fixed' remuneration component). Severance pay will not be awarded if the agreement is terminated early at the initiative of the Management Board member, or in the event of seriously culpable or negligent behaviour on the part of the Management Board member.
- 1.7. The main elements of the agreement of a Management Board member with the Company will be published on the Company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the General Meeting where the appointment of the Management Board member will be proposed.

Remuneration of the Supervisory Board members

- 1.8. The Supervisory Board submits a clear and understandable proposal for its own appropriate remuneration to the General Meeting. The remuneration of Supervisory Board members promotes an adequate performance of their role and should not be dependent on the results of the Company.
- 1.9. The remuneration of the Supervisory Board members reflects the time spent and the responsibilities of their role.
- 1.10. Supervisory Board members will not be awarded remuneration in the form of Shares and/or rights to Shares.
- 1.11. Shares held by a Supervisory Board member in the Company will be long-term investments.

Remuneration report

- 1.12. The Remuneration Committee prepares the remuneration report. This report will in any event describe, in a transparent manner, in addition to the matters required by law:
- a. how the remuneration policy has been implemented in the past financial year;
 - b. how the implementation of the remuneration policy contributes to long-term value creation;
 - c. that Scenario Analyses have been taken into consideration;
 - d. the pay ratios within the Company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous year;
 - e. in the event that a Management Board member receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and
 - f. in the event that a current or former Management Board member receives a severance payment, the reason for this payment.
- The remuneration report will be posted on the Company's website.

Information safeguards and advisors

- 1.13. The chairman of the Management Board or the head of human resource management (HRM) will provide the Remuneration Committee with all the information necessary to make a well-considered judgement on the remuneration of members of the Management Board.
- 1.14. The Remuneration Committee has – at any time – the right to seek advice from internal and external experts and advisors on all kind of remuneration matters. If the Remuneration Committee makes use of the services of a remuneration consultant in carrying out its duties, it shall verify that the consultant concerned does not provide advice to the members of the Management Board.

2. Composition of the Remuneration Committee

- 2.1. The members of the Remuneration Committee, its chairman, vice-chairman and secretary shall be appointed by the Supervisory Board. The secretary does not need to be a member of the Supervisory Board.
- 2.2. The chairman is primarily responsible for the proper functioning of the Remuneration Committee. He or she shall act as the spokesperson of the

- Remuneration Committee and shall be the main contact for the Supervisory Board.
- 2.3. The Remuneration Committee shall not be chaired by the chairman of the Supervisory Board or by a former member of the Management Board.
 - 2.4. The Supervisory Board observes the requirement that more than half of the members of the Selection and Appointment Committee must be independent within the meaning of best practice provision 2.1.8 of the Dutch Corporate Governance Code.
 - 2.5. If a member of the Remuneration Committee is or becomes aware of any circumstance which may reasonably impair or affect his or her independence or the perception of his or her independence, that member will inform the Remuneration Committee promptly. The Remuneration Committee will then consult with the Supervisory Board to determine whether there is sufficient cause for that member to resign from, or terminate his or her membership of the Remuneration Committee.
 - 2.6. The vice-chairman deputises for the chairman when the occasion arises. The vice-chairman acts as contact of individual members of the Supervisory Board concerning the functioning of the chairman.

3. Meetings of the Remuneration Committee

- 3.1. The Remuneration Committee meets whenever one or more of its members have requested such meeting and at least twice a year.
- 3.2. Meetings of the Remuneration Committee are called in writing by or on behalf of the chairman or in his or her absence or inability by the vice-chairman of the Remuneration Committee. The invitation to meetings must contain the agenda. Every member can suggest items for the agenda. The agenda and accompanying materials for the meeting must be sent to the members in good time before any meeting.
- 3.3. Meetings of the Remuneration Committee may be held, and members of the Remuneration Committee may participate in meetings, by telephone, videoconference or other electronic form of direct communication.
- 3.4. The Remuneration Committee and the chairman may request officers or external advisors of the Company and its subsidiaries or other parties to be present at a meeting of the Remuneration Committee.
- 3.5. Meetings of the Remuneration Committee are chaired by the chairman and in his or her absence by the vice-chairman. If both the chairman and the vice-chairman are not present at a meeting, the most senior member present will act as chairman.

- 3.6. If a member of the Remuneration Committee is frequently absent during meetings of the Remuneration Committee, the chairman of the Remuneration Committee will discuss this with that member. If the chairman of the Remuneration Committee is frequently absent during meetings, the vice-chairman of the Remuneration Committee will discuss this with the chairman.
- 3.7. The minutes of the meeting are prepared by the secretary of the Remuneration Committee or any other person designated by the chairman or in his or her absence or inability by the vice-chairman of the Remuneration Committee. The minutes must be signed for adoption by the chairman and the secretary of the relevant meeting.
- 3.8. The Remuneration Committee shall provide the Supervisory Board with a report of its deliberations and findings.

4. Resolutions of the Remuneration Committee

- 4.1. The provisions of the Supervisory Board Rules regarding the adoption of resolutions by the Supervisory Board apply *mutatis mutandis* to the adoption of resolutions by the Remuneration Committee.
- 4.2. In deviation of article 4.1 of these Remuneration Committee Rules, if no resolution can be adopted by the Remuneration Committee as a consequence of a Conflict of Interest (as defined in the Supervisory Board Rules) of all members of the Remuneration Committee, the relevant resolution will be referred to the Supervisory Board.

5. Status and contents of the Remuneration Committee Rules

- 5.1. These Remuneration Committee Rules have been adopted by the Supervisory Board pursuant to article 5.3 of the Supervisory Board Rules.
- 5.2. These Remuneration Committee Rules are complementary to the rules and regulations (from time to time) applicable to the members of the Supervisory Board under Dutch law, the Articles of Association and the Supervisory Board Rules. If and to the extent these Remuneration Committee Rules are inconsistent with Dutch law, the Articles of Association or the Supervisory Board Rules, these Remuneration Committee Rules shall not apply.
- 5.3. The Remuneration Committee may in exceptional cases, as the circumstances may require, at its discretion decide to deviate from these Remuneration Committee Rules.

6. Governing law

These Remuneration Committee Rules are governed by and to be construed in accordance with the laws of the Netherlands.

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