

# Relationship Agreement

28 April 2017

# RELATIONSHIP AGREEMENT

Parties:

REGGEBORGH HOLDING B.V.

as Shareholder

and

VOLKERWESSELS B.V.

as Company

28 April 2017

**CONTENTS**

1. DEFINITIONS AND INTERPRETATION.....	4
2. ENTRY INTO EFFECT .....	4
3. LARGE COMPANY REGIME.....	5
4. RELATIONSHIP POST-OFFERING .....	5
5. MANAGEMENT BOARD .....	6
6. SUPERVISORY BOARD .....	6
7. ARTICLES OF ASSOCIATION AND RULES.....	9
8. ORDERLY MARKET ARRANGEMENTS.....	9
9. TERM AND TERMINATION.....	11
10. NOTICES.....	12
11. MISCELLANEOUS .....	12
12. GOVERNING LAW AND DISPUTE RESOLUTION.....	14

**SCHEDULES**

1. SCHEDULE 1 DEFINITIONS AND INTERPRETATION.....	16
2. SCHEDULE 2 ARTICLES OF ASSOCIATION.....	19
3. SCHEDULE 3 MANAGEMENT BOARD RULES.....	50
4. SCHEDULE 4 SUPERVISORY BOARD RULES .....	71

**THIS AGREEMENT** (the "**Agreement**") is made on 28 April 2017,

**BETWEEN:**

- I. **Reggeborgh Holding B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, with its registered seat in Rijssen, the Netherlands and its place of business at Reggesingel 10, 7461 BA Rijssen, the Netherlands, registered in the trade register of the Dutch Chamber of Commerce under number 67970761 (the "**Shareholder**"); and
- II. **VolkerWessels B.V.** (to be renamed Koninklijke VolkerWessels N.V.), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands with its registered seat in Rotterdam, the Netherlands and its place of business at Podium 9, 3826 PA Amersfoort, the Netherlands, registered in the trade register of the Dutch Chamber of Commerce under number 34270985 (the "**Company**").

The parties to this Agreement are hereinafter jointly referred to as the "**Parties**" and each individually as a "**Party**".

**IT IS HEREBY AGREED AS FOLLOWS:**

**1. DEFINITIONS AND INTERPRETATION**

In this Agreement, unless where explicitly provided otherwise, capitalised words and expressions have the meanings set out in Schedule 1.

**2. ENTRY INTO EFFECT**

Except for clause 1, this clause 2 and clauses 9 through 12 (inclusive) and Schedule 1, which will be effective upon execution of this Agreement, this Agreement will only enter into effect on the First Trading Date and shall thereafter continue until terminated pursuant to clause 9, it being understood that if for any reason the Settlement Date does not occur on or before 30 June 2017, the provisions of this Agreement, other than clauses 1, 2, 9 through 12 (inclusive), shall be treated as never having become effective.

### 3. LARGE COMPANY REGIME

The Parties agree and acknowledge that the Company will apply the large company regime (*volledig structuurregime*) as of the Settlement Date as further set out in the Articles of Association.

### 4. RELATIONSHIP POST-OFFERING

#### General

- 4.1. The Shareholder shall not exercise any of its voting or other shareholder rights and powers to procure any amendment to the Articles of Association that would be inconsistent with any of the provisions of this Agreement.
- 4.2. For the avoidance of doubt, nothing which a Party is required to do or omit to do to comply with its obligations, or in the exercise or enforcement of any of its rights, under or pursuant to this Agreement shall constitute a breach of this clause 4.

#### Dutch Corporate Governance Code

- 4.3. The Parties agree that the Company's governance will comply with the Dutch Corporate Governance Code, except (i) to the extent permitted by the terms of this Agreement, (ii) for the deviations set out in the Prospectus or (iii) as approved by the Supervisory Board.

#### Related Party Transactions

- 4.4. The Parties acknowledge the importance of ensuring that related party transactions, including but not limited to transactions between the Company and its subsidiaries, on the one hand, and related parties (including legal and natural persons holding, directly or indirectly, at least 10% of the Shares in the Company and key management personnel), on the other hand, shall be on arms' length terms and shall be dealt with in accordance with the applicable legal, accounting and disclosure framework. Accordingly, the Company shall on the Settlement Date have a related party transactions policy in the agreed form attached as Annex II to the Management Board Rules (the "**Related Party Transactions Policy**").
- 4.5. An amendment of the Related Party Transactions Policy can be made subject to approval by the Supervisory Board, including the affirmative vote of at least one Independent Supervisory Board Member. No amendment of the Related Party Transactions Policy shall be proposed that would contravene, or be contrary to, any provision of this Agreement.

## 5. MANAGEMENT BOARD

### Composition of the Management Board

5.1. As from the Settlement Date, the Management Board shall consist of at least three members and the composition of the Management Board shall be as outlined below.

Name	Position
J.A. de Ruiter	Chairman
J.G. van Rooijen	CFO
A. Vos	COO
D. Boers	Member
H. van der Kamp	Member

### Reserved matters

5.2. Certain decisions or actions as specified in the Articles of Association and the Management Board Rules will be subject to the approval of the Supervisory Board.

## 6. SUPERVISORY BOARD

### Composition of the Supervisory Board and committees

6.1. As from the Settlement Date, the Supervisory Board shall consist of at least three members and the composition of the Supervisory Board shall be as outlined below, which table also sets forth the roster of resignation and reappointment.

Name	Position	Position ((C) = chairman)	Committees	(In)dependent	Designated by	Rotation schedule
J.H.M. Hommen	Chairman	Audit Committee		Independent	–	2020
		Remuneration Committee				
		Selection and Appointment Committee (C)				
H.M. Holterman	Vice-chairman	Audit Committee (C)		Dependent	Shareholder	2021
		Selection and Appointment Committee				
S. Hepkema	Member	Audit Committee		Independent	–	2021
		Remuneration Committee				
R.J.H.M. Kuipers	Member	Remuneration Committee (C)		Dependent	Works council	2020
D. Wessels	Member	Selection and Appointment		Dependent	Shareholder	2019

- 6.2. In accordance with article 20.2 of the Articles of Association, the Supervisory Board has drawn up a profile (*profiel*) for the members of the Supervisory Board which is included in agreed form as Annex 1 to the Supervisory Board Rules. The Supervisory Board will at all times be composed in conformity with that profile.
- 6.3. The Shareholder shall exercise its voting rights in respect of appointment and dismissal of members of the Supervisory Board in such a way as to give effect to this clause 6.
- 6.4. The Supervisory Board shall elect and appoint the chairman of the Supervisory Board from among the Independent Supervisory Board Members.
- 6.5. Upon expiry of their term, individual members of the Supervisory Board are eligible for re-appointment, subject to the provisions of the Supervisory Board Rules.

#### Designation right

- 6.6. As from the Settlement Date, and subject to clauses 6.7 through 6.13, the Shareholder shall have the right to designate 3 individuals for nomination by the Supervisory Board as replacement for the Supervisory Board members appointed by the General Meeting per their respective designations.
- 6.7. The Shareholder shall only designate individuals that cause the Supervisory Board to be composed in accordance with the profile referred to in clause 6.2. Such individuals will not need to be "independent" within the meaning of the Dutch Corporate Governance Code and, subject to clauses 6.6 and 6.10, may be re-appointed upon expiry of their term.
- 6.8. If a Supervisory Board member appointed upon designation by the Shareholder must be replaced, the Company shall convene a General Meeting for the appointment of a replacement, as soon as practicable after the Shareholder has designated a qualifying individual in writing to the Supervisory Board. Subject to its obligations under Dutch law, the Supervisory Board will nominate such qualifying individual for appointment by the General Meeting and shall determine that the relevant designated individual will temporarily occupy the vacant seat pursuant to the Articles of Association until the appointment by the General Meeting.
- 6.9. The Company shall allow and provide each Supervisory Board member with all necessary support, access and information in order to enable such Supervisory Board member to carry out his duties.

### Expiry of designation right

- 6.10. The designation right of the Shareholder will expire depending on its percentage shareholding, as follows:
- a. if the Shareholder, directly or indirectly, holds less than 50% but 20% or more of the Shares, the Shareholder will have the right to designate only 2 Supervisory Board members;
  - b. if the Shareholder, directly or indirectly, holds less than 20% but 10% or more of the Shares, the Shareholder will have the right to designate only 1 Supervisory Board member; and
  - c. if the Shareholder holds less than 10% of the Shares, the right of the Shareholder to designate a Supervisory Board member will expire.
- 6.11. The Shareholder shall inform the chairman of the Supervisory Board in writing within five Business Days after its shareholding falls below the thresholds set out in clause 6.10. The chairman and the other independent member(s) of the Supervisory Board will then resolve either to nominate an independent candidate to fill the vacancy, or not to fill the vacancy but to decrease the total number of Supervisory Board members.
- 6.12. The Shareholder shall procure that the Supervisory Board member appointed pursuant to its expired designation right offers his or her resignation effective upon the earlier of:
- a. the date as determined by the chairman and the other independent member(s) of the Supervisory Board; and
  - b. the date determined by the Shareholder.
- 6.13. Any designation right that expires shall not revive, regardless of any subsequent increase of the Shareholder's shareholding.

### Supervisory Board Committees

- 6.14. In addition to any other committees which the Supervisory Board may have from time to time, the Supervisory Board will have an audit committee, a remuneration committee and a selection and nomination committee.
- 6.15. The Supervisory Board members shall procure that at all times:
- a. each of the Supervisory Board committees will consist of at least three members; and
  - b. the chairman of the Supervisory Board shall not act as chairman of the audit committee and the remuneration committee.



## 7. ARTICLES OF ASSOCIATION AND RULES

- 7.1. The Parties shall procure that the Company's articles of association will, with effect from the Settlement Date, be amended in accordance with the agreed form amendment attached hereto as Schedule 2.
- 7.2. The Parties agree that the Management Board Rules and the Supervisory Board Rules (including the internal rules of the Supervisory Board committees) will, with effect from the Settlement Date, be amended in accordance with the agreed forms attached hereto as Schedule 3 and Schedule 4 respectively.
- 7.3. An amendment of the Articles of Association, the Management Board Rules and the Supervisory Board Rules (including the internal rules of the Supervisory Board committees) can be made in accordance with the relevant laws and as described in the relevant document. No amendment of the Articles of Association, the Management Board Rules or the Supervisory Board Rules (including the internal rules of the Supervisory Board committees) shall be proposed by a Party that would contravene, or be contrary to, any provision of this Agreement.
- 7.4. The Parties shall procure that the articles of association of Koninklijke Volker Wessels Stevin N.V. will, with effect from the Settlement Date, be amended in accordance with the standard form articles used for subsidiaries of the Company, whereby Koninklijke Volker Wessels Stevin N.V. will also be converted into a B.V. (*besloten vennootschap met beperkte aansprakelijkheid*) and will no longer have a supervisory board.

## 8. ORDERLY MARKET ARRANGEMENTS

### Sell Down

- 8.1. At any time after the Lock-up Period, the Shareholder (and any transferee pursuant to a transfer permitted under clause 11.1) is entitled to sell any number of Shares, in the open market or through a private sale (a "**Sell Down**").
- 8.2. The Company will cooperate with the Shareholder to optimise any Sell Down, including but not limited to (a) providing reasonable access to information required for a due diligence and drafting a prospectus, (b) providing assistance in obtaining regulatory, stock exchange and other approvals required for a Sell Down and (c) being a party to an underwriting agreement containing customary provisions.

### Fully Marketed Offerings

- 8.3. The Shareholder may require the Company to provide reasonable assistance with a Fully Marketed Offering. If the Shareholder requests the Company to assist on a Fully Marketed Offering of (part of) its Shares, the Parties shall cooperate in executing the Fully Marketed Offering to the highest possible standard. The Parties agree that this will require the Company's assistance with documentation (including potentially a prospectus), due diligence, comfort letters, listing requirements, road shows and marketing and any other reasonable requests from any underwriters or advisers in relation to such an offering and the Company agrees to give such assistance.
- 8.4. The Shareholder shall notify the Company in writing of its intention to execute a Fully Marketed Offering.
- 8.5. The Company shall only be required to provide assistance with one Fully Marketed Offering in a six month period.
- 8.6. In connection with the Fully Marketed Offering, the Shareholder may, after consultation with the Company, appoint one or more bookrunners (with a leading position in the international capital markets). In addition, the Company may, but is not obliged to, require the Shareholder to appoint an additional bookrunner. The bookrunner appointed on behalf of the Company by the Shareholder will assist alongside the Shareholder's bookrunner, or bookrunners, with the Fully Marketed Offering and will help to provide visibility in the book-building process.

### Block trades

- 8.7. In the event of a sale of 5% or more of the Shares by the Shareholder other than by way of a Fully Marketed Offering, the Company shall facilitate, upon reasonable request by the Shareholder, such sale by providing an opportunity to perform a limited due diligence investigation by or on behalf of (a) a bookrunner or coordinator, (b) a reputable investment bank engaged to assist in a sale or (c) a bona fide, creditworthy potential purchaser of 5% or more of the Shares. Such due diligence shall include: (i) a management interview, (ii) customary issuer representations and management representation letters, (iii) a review of the minutes of the Management Board and the Supervisory Board and (iv) a limited documentary review relating to major litigation, acquisitions and disposals.

## Costs and expenses

- 8.8. All fees and expenses in connection with a transfer of Shares by the Shareholder, including all fees and external expenses incurred by the Company in connection with the preparation of such transfer (including but not limited to the preparation of a prospectus) and fees properly incurred by book runner(s) and their legal advisers (if any), will:
- a. if the Company does not issue any Shares in conjunction with such transfer (nor transfer Shares held in its own capital), be borne by the Shareholder; or
  - b. if the Company issues or transfers Shares in conjunction with such transfer, these fees and expenses shall be shared pro rata by the Company and the Shareholder, proportionate to the number of Shares issued or transferred by each of them,
- in either case, except for any fees and external expenses of the bookrunner appointed at the instruction of the Company, which will be borne by the Company to the extent such fees and external expenses are additionally incurred as a result of such appointment.

## Communication

- 8.9. In view of the necessity of a clear and coordinated communication regarding any Sell Down, public communications by either Party with respect to a Sell Down will be made only after approval of the other Party regarding the contents of such communication, to the extent reasonably practicable. Such consultation shall not be required for any communication:
- a. which is in line with communication arrangements pre-agreed between the Parties;
  - b. which is ordinary course of business or investor communication and not disclosing specific information on an actual Sell Down; or
  - c. confirming facts or information that are already in the public domain.
- 8.10. Each Party shall ensure that any Sell Down, including communication, relating to a Sell Down, will be conducted in compliance with applicable securities laws.

## 9. TERM AND TERMINATION

Without prejudice to clause 2 of this Agreement, this Agreement (except for Schedules 2 to 5 (inclusive), which remain in full force and effect unless amended in accordance with their terms), shall terminate at the first time that any of the following conditions shall be met:

- a. the Settlement Date shall not have occurred before 30 June 2017;
  - b. the Shareholder (including any Permitted Transferee) holds Shares representing less than 10% of the Shares;
  - c. the Company has been declared bankrupt (*failliet verklaard*);
  - d. a resolution of the General Meeting to liquidate (*ontbinden*) the Company becomes unconditional;
  - e. the Company ceases to exist as a legal entity as a result of a legal merger (*fusie*) or spin off (*splitsing*); or
  - f. termination of the listing of Shares on Euronext Amsterdam takes effect,
- in each case without prejudice to rights and obligations accrued prior to such cessation or termination, and subject to clauses 10 through 12 (inclusive) remaining in force.

## 10. NOTICES

All communications and notices required or permitted by this Agreement shall be in writing and sent by registered mail, courier or email to the following addresses unless and until a Party notifies the other Party, in accordance with this clause 10, of another address:

**If to the Shareholder:**

Reggesingel 10  
7461 BA Rijssen  
The Netherlands  
Attn: H.M. Holterman

**If to the Company:**

Podium 9  
3826 PA Amersfoort  
The Netherlands  
Attn: J.A. de Ruiter

## 11. MISCELLANEOUS

### No assignment

- 11.1. This Agreement is personal to the Parties and accordingly a Party may not assign or transfer any rights or obligations arising under this without the prior written consent of the other Party, in respect of which each Party may decide in its own discretion, provided that the Shareholder may freely assign or transfer its rights and obligations under this Agreement to any of its direct and indirect shareholders or depositary receipt holders (each a "**Permitted Transferee**"), but only together with all or part of its Shares, provided such new holder of Shares shall become a party to this Agreement by entering into a deed of adherence. For purposes of calculation of the percentages under clause 6.10, the Shares held by all Permitted Transferees shall be deemed to be held by the Shareholder.

### Costs and expenses

11.2. Unless explicitly provided otherwise in this Agreement, the Parties shall each bear their own costs, charges and expenses incurred in relation to this Agreement.

### No rescission

11.3. Each Party hereby waives, to the extent permitted by law, the right to partially or wholly rescind (*ontbinden*) or partially or wholly nullify (*vernietigen*) or otherwise terminate this Agreement. The Parties hereby agree to exclude the applicability of Section 6:230, paragraph 2 of the Dutch Civil Code.

### Severability

11.4. If a provision of this Agreement is or becomes invalid or non-binding, the Parties shall remain bound by the remaining provisions. In that event, the Parties shall replace the invalid or non-binding provision by provisions that are valid and binding and that have, to the greatest extent possible, a similar effect as the invalid or non-binding provision, given the contents and purpose of this Agreement.

### No implied waiver

11.5. Nothing shall be construed as a waiver under this Agreement unless a document to that effect has been signed by the Parties or a notice to that effect has been given.

11.6. The failure of a Party to exercise or enforce any right under this Agreement shall not constitute a waiver of the right to exercise or enforce such right in the future.

### Entire agreement

11.7. This Agreement, together with any documents referred to herein, contains the entire agreement between the Parties relating to its subject matter and replaces and supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Agreement.

### Amendment

11.8. Any variation of this Agreement is not valid unless and until it is in writing and has been signed by or on behalf of the Parties, where the Company is represented by an Independent Supervisory Board Member.

### Counterparts

11.9. This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. The Parties may enter into this Agreement by signing any such counterpart.

## 12. GOVERNING LAW AND DISPUTE RESOLUTION

- 12.1. This Agreement and obligations arising out of or in connection to it, is governed by and shall be construed in accordance with the laws of the Netherlands.
- 12.2. The Parties agree that (i) the Management Board and/or (ii) the Independent Supervisory Board Members acting jointly may enforce this Agreement on behalf of the Company.
- 12.3. Any dispute arising out of or in connection to this Agreement (including any disputes relating to any non-contractual obligations arising out of or in connection with this Agreement) must be finally settled by arbitration in accordance with the rules of the Netherlands Arbitration Institute (*Nederlands Arbitrage Instituut*). The arbitral tribunal shall be composed of three arbitrators in accordance with those rules. The place of arbitration will be Amsterdam, the Netherlands. The proceedings will be conducted in the Dutch language. The arbitrators must make their decision in accordance with the rules of law.

- signature page to follow -

- Signature page relationship agreement -

**THIS AGREEMENT** has been signed by the Parties (or their duly authorised representatives) on the date stated on the first page of this Agreement.

---

**Reggeborgh Holding B.V.**

By: Reggeborgh Bestuur B.V.

By: H.M. Holterman

Position: Authorised Director

---

**VolkerWessels B.V.**

By: J.A. de Ruiter

Position: Chairman of the Management Board

---

**VolkerWessels B.V.**

By: J.G. van Rooijen

Position: CFO

## SCHEDULE 1 DEFINITIONS AND INTERPRETATION

1. In this Agreement, save where explicitly provided otherwise, capitalised words and expressions have the following meanings:

<b>Agreement</b>	means this relationship agreement
<b>Articles of Association</b>	means the articles of association of the Company, in the agreed form set out in Schedule 2, as amended from time to time
<b>Business Day</b>	means a day on which banks are open for business in Amsterdam (which, for avoidance of doubt, shall not include Saturdays, Sundays and public holidays)
<b>Company</b>	means VolkerWessels B.V. ( <i>to be renamed Koninklijke VolkerWessels N.V.</i> )
<b>Dutch Corporate Governance Code</b>	means the Dutch corporate governance code dated 8 December 2016, as amended from time to time
<b>Euronext Amsterdam</b>	means Euronext in Amsterdam, a regulated market operated by Euronext Amsterdam N.V.
<b>First Trading Date</b>	means the date that trading in the Shares on an "as-if-and-when-delivered" basis starts on Euronext Amsterdam
<b>Fully Marketed Offering</b>	means an offering which entails the Company's involvement in the form of a deal management road show and the preparation of a prospectus or similar offering document
<b>General Meeting</b>	means the general meeting of shareholders ( <i>algemene vergadering</i> ) of the Company
<b>Independent Supervisory Board Member</b>	means a Supervisory Board member who is considered to be independent in accordance with best-practice provision 2.1.8 of the Dutch Corporate Governance Code
<b>Lock-Up Period</b>	means the period of time following Settlement in relation to which the Shareholder will undertake towards the underwriters of the Offering not to transfer any Shares to a third party
<b>Management Board</b>	means the management board ( <i>raad van bestuur</i> ) of the Company
<b>Management Board Rules</b>	means the rules of the Supervisory Board in the agreed form set out in Schedule 3, as amended from time to time



<b>Offering</b>	means the initial public offer of existing Shares by the Shareholder
<b>Party</b>	means a party to this Agreement, including, for the avoidance of doubt, a new holder of Shares who becomes a party to this Agreement in accordance with clause 11.1
<b>Permitted Transferee</b>	has the meaning given to it in clause 11.1
<b>Prospectus</b>	means the Company's prospectus dated on or around the date of this Agreement
<b>Related Party Transactions Policy</b>	has the meaning given to it in clause 4.4
<b>Sell Down</b>	has the meaning given to it in clause 8.1
<b>Settlement</b>	means payment (in euro) for, and delivery of, the Shares offered in the Offering
<b>Settlement Date</b>	means the date on which Settlement occurs, which is expected to be on or about 16 May 2017, subject to acceleration or extension of the timetable for the Offering
<b>Shareholder</b>	means Reggeborgh Holding B.V.
<b>Shares</b>	means the issued ordinary shares in the share capital of the Company from time to time, for the avoidance of doubt including treasury shares
<b>Supervisory Board</b>	means the supervisory board ( <i>raad van commissarissen</i> ) of the Company
<b>Supervisory Board Rules</b>	means the rules of the Supervisory Board in the agreed form set out in Schedule 4, as amended from time to time

2. In this Agreement, unless specified otherwise:
- a. a "**clause**", "**recital**" or "**Schedule**" means a clause (including all sub clauses), a recital or a schedule in or to this Agreement;
  - b. the recitals, Schedules and any other attachments to this Agreement, form an integral part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and a reference to this Agreement includes the recitals, Schedules and any other attachments to this Agreement;
  - c. the headings are included for convenience of reference only and shall not affect the interpretation of this Agreement or of any provisions thereof;
  - d. legal terms refer to Dutch legal concepts only; references to legal terms or concepts apply even where the concept referred to by such term does not exist

outside the Netherlands and, if necessary, shall include a reference to the term in that jurisdiction outside the Netherlands that most approximates the Dutch term;

- e. the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation" and interpreted accordingly; and
- f. the singular includes the plural and vice versa, and use of one gender includes any other.

## SCHEDULE 2 ARTICLES OF ASSOCIATION

### Informal translation

#### 1. Definitions

1.1. In these articles of association:

- **Body** (*orgaan*) is a term that applies to the Management Board, the Supervisory Board, the General Meeting or the meeting of holders of shares of a particular class;
- **Company** means the company of which the internal organisation is governed by these articles of association;
- **Conflict of interest** (*tegenstrijdig belang*) means a direct or indirect personal interest that conflicts with the interest of the Company and its business;
- **Continuity Foundation** means the Stichting Continuïteit Koninklijke VolkerWessels, which has or will have its corporate seat in Amersfoort;
- **DCC** (BW) means the Dutch Civil Code (*Burgerlijk Wetboek*);
- **Dependent Company** means:
  - a. a legal person to which a company limited by shares or one or more dependent companies, solely of jointly and for its or their own account, contribute(s) at least one half of the issued capital;
  - b. a partnership, a business undertaking of which has been registered in the commercial register and for which a company limited by shares or a dependent company is fully liable as a partner towards third parties for all liabilities;
- **Enterprise Section** (*ondernemingskamer*) means the enterprise court at the Amsterdam Court of Appeal;
- **Euroclear Netherlands** means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., trading under the name Euroclear Nederland, being the central depository as referred to in the Dutch Securities Giro Act;
- **External Auditor** means a qualified accountant (*registeraccountant*) or other expert as referred to in section 2:393 paragraph 1 DCC or an organisation in which such experts work together;
- **FSA** (*Wft*) means Financial Supervision Act (*Wet op het financieel toezicht*);
- **General Meeting** (*algemene vergadering*) means the Body that consists of Shareholders and all other persons with voting rights or the

- meeting in which the Shareholders and all other persons with Meeting Rights assemble;
- **Group** (*groep*) or **Group Company** (*groepsmaatschappij*) means the economic unity (*economische eenheid*) or legal entity as referred to in section 2:24b DCC;
  - **Large Company Regime** (*structuurwetgeving*) means sections 2:158 up to and including 2:164 DCC;
  - **Management Board** (*raad van bestuur*) means the Body that consists of the members of the Management Board;
  - **Meeting Right** (*vergaderrecht*) means the right to attend and speak at the General Meeting or, in the case of a meeting of holders of shares of a particular class, the meeting of holders of those shares, either in person or by a proxy authorised in writing;
  - **member(s) of the Management Board** (*bestuurder*) means member(s) of the Management Board as referred to in Dutch law;
  - **member(s) of the Supervisory Board** (*commissaris*) means member(s) of the supervisory board as referred to in Dutch law;
  - **Ordinary Share** means an ordinary share in the capital of the Company;
  - **person(s) with Meeting Rights** (*vergadergerechtigde(n)*) are the Shareholder(s) with Meeting Rights at the General Meeting and usufructuaries with Meeting Rights at the General Meeting, or where the meeting of holders of shares of a particular class adopts resolutions, the Shareholder(s) with Meeting Rights and usufructuaries with Meeting Rights at that meeting;
  - **person(s) with voting rights** (*stemgerechtigde(n)*) are the Shareholder(s) with voting rights at the General Meeting and usufructuaries with voting rights at the General Meeting, or where the meeting of holders of shares of a particular class adopts resolutions, with voting rights at that meeting;
  - **Preference Share** means a preference share in the capital of the Company;
  - **Shareholder** means the holder of one or more Shares;
  - **Shares** means the Ordinary and Preference shares in the capital of the Company;
  - **Statutory Giro System** means the giro system as referred to in the Dutch Securities Giro Act (*Wet giraal effectenverkeer*);
  - **Subsidiary** means a legal entity as referred to in section 2:24a DCC;
  - **Supervisory Board** (*raad van commissarissen*) means the Body that consists of the members of the Supervisory Board;

- **Work's Council** means the work's council as referred to in section 2:158 paragraph 11 DCC.

## 2. Name and seat

- 2.1. The name of the Company is:  
**Koninklijke VolkerWessels N.V..**
- 2.2. The Company has its seat in Rotterdam.
- 2.3. The Company may establish offices and branches both in the Netherlands and abroad.
- 2.4. The Company is subject to the provisions of the Large Company Regime.

## 3. Objects

- 3.1. The objects of the Company are:
  - a. to participate in, manage or otherwise hold a stake in and to finance other companies, of whatever nature;
  - b. to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities;
  - c. to render advice and services to businesses and companies with which the Company forms a group and to third parties;
  - d. to grant guarantees, to bind the Company and to pledge its assets for obligations of businesses and companies with which it forms a group and on behalf of third parties;
  - e. to acquire, manage, exploit and alienate registered property and items of property in general;
  - f. to trade in currencies, securities and items of property in general, as well as everything that can relate to or may be conducive to the foregoing, either in the Netherlands or abroad, either individually or in cooperation with third parties and at the Company's own expense or at the expense of third parties, all in the broadest sense.

## 4. Capital and Shares

- 4.1. The Company's authorised capital amounts to three million euro (€3,000,000).
- 4.2. The Company's authorised capital is divided into:
  - a. one hundred fifty million (150,000,000) Ordinary Shares; and
  - b. one hundred fifty million (150,000,000) Preference Shares, each having a nominal value of one eurocent (€0.01).

- 4.3. All Shares shall be registered. No share certificates shall be issued.
- 4.4. Ordinary Shares shall be numbered such that they may always be distinguished from one another. The Preference Shares shall be numbered starting with P 1.

## 5. Issuance of Shares

- 5.1. Decisions to issue Shares shall be taken by the General Meeting or the Management Board – subject to the Supervisory Board’s approval – if the General Meeting authorises the Management Board to do so.
- 5.2. The body authorised to issue Shares shall establish the price and other conditions of the issue, with due observance of the other provisions in these articles of association.
- 5.3. If the Management Board is authorised to take the decision to issue Shares, the authorisation must state how many and which type of Shares may be issued.
- 5.4. Such an authorisation must also state the term for which it is valid, which term may be no longer than five years.
- 5.5. The authorisation may be renewed in each case for another maximum period of five years. Unless provided otherwise in the authorisation, it may not be withdrawn.
- 5.6. The decision of the General Meeting to issue shares or to authorise the Management Board to issue shares shall only be valid if such decision is preceded by, or occurs simultaneously with, an approval by each group of shareholders that hold the same type of share which will be affected by the issue.
- 5.7. Within eight days of taking a decision of the General Meeting to issue Shares or to authorise the Management Board to issue Shares, the Management Board shall file the full text of such decision with the trade register. Within eight days of every issue of Shares, the Management Board shall file a statement with the trade register specifying the number and type of Shares issued.
- 5.8. The above provisions of this article 5 shall apply mutatis mutandis to the granting of rights to subscribe for Shares but do not apply to the issue of Shares to a person exercising a previously acquired right to subscribe for Shares.
- 5.9. Upon issuance of an Ordinary Share, the full nominal value thereof must be paid-up, as well as the difference between the two amounts if the Share is subscribed for at a higher price, without prejudice to the provisions of section 2:80 paragraph 2 DCC.

- 5.10. The Body competent to issue Shares may resolve to issue Preference Shares to Continuity Foundation, which Share issue and payment of the Shares may be at the expense of the reserves of the Company.
- 5.11. Upon issuance of a Preference Share, at least one fourth of the nominal value thereof must be paid-up. Additional payments on Preference Shares must be made after such additional payments have been claimed by the Company pursuant to a resolution of the Management Board which has been approved by the Supervisory Board. If and to the extent that the issuance of the Preference Shares is at the expense of the reserves of the Company, the respective Shares will be paid-up in full.
- 5.12. With respect to the Shares that are issued pursuant to a resolution of the Management Board, subject to the approval of the Supervisory Board, the Management Board may determine that the issuance of the Shares is at the expense of the reserves of the Company.
- 5.13. Payment shall be effectuated in cash, provided no other means of contribution has been agreed.
- 5.14. In the event of an issue of Preference Shares by a body other than the General Meeting, a General Meeting must be convened, to be held not later than twenty-two months after the date on which Preference Shares were issued for the first time. The agenda for that meeting must include a resolution relating to the repurchase of the Preference Shares in accordance with the provisions of article 7 or the cancellation of the Preference Shares in accordance with the provisions of article 8. If the resolution to be adopted in respect of this item on the agenda does not result in the repurchase or cancellation of the Preference Shares, a General Meeting must be convened and held, in each case within six months of the previous meeting, the agenda of which meetings must include a resolution relating to the repurchase or cancellation of the Preference Shares, until such time as no more Preference Shares remain outstanding.
- 5.15. The Management Board is, with the approval of the Supervisory Board and without the approval of the General Meeting, authorised to perform juristic acts as defined in section 2:94 paragraph 1 DCC.

## 6. Pre-emption Right

- 6.1. Upon the issue of Ordinary Shares, and without prejudice to the provisions of the third sentence of section 2:96a paragraph 1 DCC, each holder of Ordinary Shares shall have a pre-emption right in respect of the Ordinary Shares to be issued, in proportion to the amount of Ordinary Shares already held.

- 6.2. No pre-emption right is attached to any Ordinary Shares to be issued in exchange for a contribution of anything other than cash. The holders of Preference Shares do not have a pre-emption right in respect of the issuance of Ordinary Shares.
- 6.3. The General Meeting or the Management Board, as applicable, and in the case of the latter subject to the approval of the Supervisory Board, shall, upon taking a decision to issue Ordinary Shares and with due observance of the provisions of this article, determine how and within what period of time the pre-emption right may be exercised.  
The aforementioned time period must be at least two weeks after the notification referred to in section 2:96a paragraph 4 DCC.
- 6.4. The pre-emption right to Ordinary Shares may be restricted or excluded pursuant to a resolution of the General Meeting.
- 6.5. The proposal to this effect must explain in writing the reasons for the proposal and the intended issue price.
- 6.6. Subject to the approval of the Supervisory Board, the pre-emption right may also be restricted or excluded by the Management Board if the Management Board has been authorised by a decision of the General Meeting for a limited period of time of no longer than five years to restrict or exclude the pre-emption right; such authorisation can only be made if the Management Board is also or simultaneously authorised to decide to issue Shares as referred to in article 5.1. The authorisation may be renewed in each case for another maximum period of five years; the authorisation shall lapse in any case if the Management Board's authorisation to issue Shares, as referred to in article 5.1, has expired. Without prejudice to the provisions of the previous sentence, such authorisation cannot be revoked unless the authorisation provides otherwise.
- 6.7. A resolution of the General Meeting to restrict or exclude the pre-emption right to Ordinary Shares as referred to in article 6.4, or to issue an authorisation shall require a majority of at least two-thirds of the votes cast if less than half of the issued share capital is represented at the General Meeting. Within eight days of taking such decision, the Management Board shall file the full text of such decision with the trade register.
- 6.8. In granting rights to subscribe for Ordinary Shares, holders of Ordinary Shares have a pre-emption right; the foregoing provisions of this article are applicable *mutatis mutandis* to such subscriptions.  
Shareholders shall have no right of pre-emption in respect of Shares to be issued to persons exercising a previously obtained right to subscribe for Shares.



## 7. Repurchase of Company Shares, right of pledge on Company Shares

- 7.1. Subject to the approval of the Supervisory Board, the Management Board is authorised to acquire its own fully paid-up Shares either gratuitously or as specified in Dutch law.
- 7.2. Acquisition for valuable consideration is permitted only if the General Meeting has authorised the Management Board to do so. Such authorisation will be valid for a period not exceeding eighteen months. The General Meeting must determine in the authorisation the number of Shares which may be acquired, the manner in which they may be acquired and the limits within which the price must be set. In addition, the approval of the Supervisory Board is required for any such acquisition.  
This article does not apply to Shares which the Company acquires by operation of law.
- 7.3. The Company may, without authorisation by the General Meeting, acquire its own Shares for the purpose of transferring such Shares to employees of the Company or of a Group Company under a scheme applicable to such employees, provided such Shares are quoted on the price list of a stock exchange.
- 7.4. Subject to the approval of the Supervisory Board, the Management Board is authorised to sell the Shares the Company has acquired in its own capital. No dividend shall be paid to Shares held by the Company in its own capital, unless such Shares are subject to a right of usufruct or pledge. In calculating the profit distributions, any Shares held by the Company in its own capital shall not be taken into account, unless those Shares are encumbered with a right of usufruct or pledge that benefits a party other than the Company.
- 7.5. No votes may be cast on Shares that the Company holds in its own capital or which a Subsidiary holds in the Company's capital, unless the Shares are encumbered with a right of usufruct that benefits a party other than the Company or a Subsidiary, the voting right attached to those Shares accrues to another party and the right of usufruct was established by a party other than the Company or the Subsidiary before the Shares belonged to the Company or the Subsidiary. The Company or a Subsidiary may not cast votes for Shares in the capital of the Company if the Company or the Subsidiary holds a right of usufruct in respect of those Shares.
- 7.6. The Company may accept in pledge Shares in its own capital only if the General Meeting has approved the pledge agreement.
- 7.7. In this article "Shares" includes depositary receipts for Shares.

## 8. Reduction of capital

- 8.1. The General Meeting may, but only at the proposal of the Management Board which has been approved by the Supervisory Board, resolve to reduce the Company's issued capital by:
  - a. cancellation of Shares; or
  - b. reducing the nominal value of Shares by amendment of the articles of association.
- 8.2. The Shares in respect of which a resolution to reduce the Company's issued capital is passed must be designated therein and provisions for the implementation of such resolution must be made therein.
- 8.3. A resolution to cancel Shares can only relate to:
  - a. Shares held by the Company itself or of which it holds the depository receipts; or
  - b. all Preference Shares, in all cases with repayment.
- 8.4. Reduction of the nominal value of the Shares without repayment and without release from the obligation to pay up the Shares shall take place proportionately on all Shares of the same class. The requirement of proportion may be deviated from with the consent of all Shareholders concerned.
- 8.5. Partial repayment on Shares or release from the obligation to make payments will only be possible for the purpose of execution of a resolution to reduce the nominal value of the Shares. Such repayment or release shall take place with regard to:
  - a. all Shares; or
  - b. all Preference Shares or all Ordinary Shares.
- 8.6. Preference Shares shall be cancelled against repayment of the amounts paid up on these Preference Shares and payment of any distribution still lacking, if any, to be calculated time-proportionately up to and including the day of payment with due observance to the provisions of article 37. The preceding sentence does not apply to Preference Shares that were issued and paid-up at the charge of the reserves of the Company, nor to Preference Shares which at the time of the cancellation belong to the Company.
- 8.7. A resolution to cancel the outstanding Preference Shares shall not require the approval of the meeting of holders of Preference Shares.
- 8.8. A reduction of the issued capital of the Company is furthermore subject to the provisions of sections 2:99 and 2:100 DCC.

## 9. Register of Shareholders

- 9.1. The Management Board shall keep a register in which all the names and addresses of all the Shareholders are recorded. The register may consist of various parts which may be kept in different places and each may be kept in more than one copy and in more than one place as determined by the Management Board.
- 9.2. Shares included in the Statutory Giro System will be registered in the name of Euroclear Netherlands or an intermediary (as referred to in the Dutch Securities Giro Act). Holders of Shares that are not included in the Statutory Giro System, as well as each usufructuary and each pledgee of such Shares, are obliged to furnish their names and addresses to the Company in writing; these will be recorded in the register of Shareholders. The Management Board will supply anyone recorded in the register on request and free of charge with an extract from the register relating to his right to Shares.
- 9.3. The register shall be updated regularly. The Management Board will set rules with respect to the signing of registrations and entries in the register of Shareholders.
- 9.4. The provisions of section 2:85 DCC apply to the register of Shareholders.
- 9.5. If any Shares form part of an undivided community of property, the joint owners may only have themselves represented towards the Company by a person jointly designated by them in writing.

## 10. Holders of depositary receipts, usufructuaries, pledgees

- 10.1. The holders of depositary receipts of Shares will not have any Meeting Rights, unless the Company expressly grants these rights, pursuant to a resolution of the Management Board approved by the Supervisory Board.
- 10.2. The voting rights attached to Shares encumbered with a right of usufruct shall be vested in the Shareholder. Contrary to what is laid down in the previous sentence, the voting right shall be vested in the usufructuary if such is provided in accordance with section 2:88 paragraph 3 DCC.
- 10.3. The voting rights attached to Shares cannot be conferred upon pledgees. The rights referred to in section 2:89 paragraph 4 DCC are not conferred upon pledgees.

## 11. Method of transferring Shares, restricted rights

- 11.1. The transfer of rights a Shareholder holds with regard to Shares included in the Statutory Giro System must take place in accordance with the provisions of the Dutch Securities Giro Act.
- 11.2. The transfer of Shares not included in the Statutory Giro System shall require a deed drawn up for that purpose, and, save when the Company itself is a party to such legal act, the written acknowledgement by the Company of the transfer. The acknowledgement must be made in the deed or by a dated statement of acknowledgement on the deed or on a copy or extract thereof and signed as a true copy by a civil law notary or the transferor. Official service of such deed or such copy or extract on the Company is considered to have the same effect as an acknowledgement.
- 11.3. A transfer of Shares from the Statutory Giro System is subject to the restrictions of the Dutch Securities Giro Act and is further subject to approval of the Management Board.
- 11.4. Preference Shares can only be transferred with the prior approval of the Supervisory Board. An application for approval must be made in writing and addressed to the Company, for the attention of the Supervisory Board. It must state the number of Preference Shares the applicant wishes to transfer and the person or persons to whom the applicant wishes to transfer the Preference Shares concerned. The Supervisory Board must respond to the request within three months from receipt. If it refuses to grant the approval requested, it must inform the applicant of another person who is prepared to purchase the Preference Shares concerned against payment in cash. If that other person and the applicant do not reach agreement on the amount of the purchase price, it will be determined by one or more experts designated by the Supervisory Board. When determining this purchase price, no value will be attributed to the voting rights attached to the Preference Shares.
- 11.5. The provisions of articles 11.1 and 11.2 apply by analogy to the creation or transfer of a right of usufruct in Shares or the establishment of a right of pledge on Shares.

## 12. Management Board

- 12.1. The number of members of the Management Board will be determined by the Supervisory Board after consultation with the Management Board.
- 12.2. The Management Board is entrusted with the management of the Company with due observance of the provisions of these articles of association. In

- performing their duties, the members of the Management Board must act in accordance with the interests of the Company and its business.
- 12.3. The Supervisory Board shall appoint the members of the Management Board. The Supervisory Board shall notify the General Meeting of the proposed appointment of a member of the Management Board.
  - 12.4. The Supervisory Board may suspend or dismiss a member of the Management Board at any time, provided that such suspension or dismissal does not occur before the member in question has had an opportunity to be heard by the General Meeting with regard to the intended suspension or dismissal.
  - 12.5. If a member of the Management Board is suspended and the Supervisory Board has not, within a period of three months, taken a decision to extend the suspension or to proceed to a dismissal with due observance of the previous sentence, the relevant member shall be restored to his or her position on the Management Board. A suspension may not be extended more than once and said extension may last no more than two months.
  - 12.6. A suspended member of the Management Board shall be afforded an opportunity to be heard by a meeting of the Supervisory Board and may be assisted by a counsel at said meeting.
  - 12.7. The Supervisory Board appoints a member of the Management Board as chairman of the Management Board and may appoint a vice-chairman of the Management Board.

### 13. Adoption of resolutions by the Management Board

- 13.1. The Management Board shall adopt resolutions by a majority of the votes cast in a meeting of the Management Board.
- 13.2. With due consideration of article 13.4, each member of the Management Board shall be entitled to cast one vote in meetings of the Management Board.
- 13.3. A member of the Management Board that has a conflict of interest with respect to a proposed resolution of the Management Board shall immediately report this to:
  - a. the other members of the Management Board; and
  - b. the chairman of the Supervisory Board,and provides all relevant information.
- 13.4. A member of the Management Board shall not participate in the deliberation and decision-making process if he has a conflict of interest. In the event that, as a consequence of the preceding sentence, a resolution cannot be adopted, the resolution will be adopted by the Supervisory Board.

- 13.5. In the event that a member of the Management Board is uncertain whether or not he has a conflict of interest with respect to a proposed Management Board resolution, he may request the chairman of the Supervisory Board to have the Supervisory Board determine whether there is a conflict of interest.
- 13.6. The member of the Management Board that due to a (potential) conflict of interest does not perform the duties and activities which would otherwise be due to him as a member of the Management Board, shall be considered absent as member of the Management Board in that respect.
- 13.7. If there is a conflict of interest as referred to in this Article 13, the provisions in article 19.1 will remain in full force. Furthermore, the Supervisory Board may, whether or not on an ad hoc basis, appoint one or more persons authorised to represent the Company with respect to matters in which a (potential) conflict of interest occurs.
- 13.8. Unless a member of the Management Board has a conflict of interest with regard to a proposed resolution, he can be represented in meetings of the Management Board. Such representation can only be made by another member of the Management Board who does not have a conflict of interest and pursuant to a written power of attorney and within the limits of such power of attorney.
- 13.9. The Management Board may also adopt resolutions without convening a meeting, provided that all voting members of the Management Board have been consulted and none of them have raised an objection to adopt resolutions in this manner. Written decision making takes place by means of written statements of all voting members of the Management Board.  
To resolutions outside of a meeting article 13.1 shall apply.

## 14. Approval of resolutions by the Management Board

- 14.1. The approval of the Supervisory Board shall be required for the following Management Board resolutions:
  - a. issue and acquisition of Shares and debentures at the expense of the Company or of debentures at the expense of a limited partnership (*commanditaire vennootschap*) or general partnership (*vennootschap onder firma*) in respect of which the Company is a partner with full liability;
  - b. cooperation in the issue of registered depositary receipts for Shares;
  - c. application for admission of the securities under a. and b. above to a regulated market or a multilateral trading facility as referred to in section 1:1 FSA or a system comparable to a regulated market or multilateral

- trading facility from a state that is not a member state, or, as the case may be, the application for the cancellation of such admission;
- d. entering into or termination of a long term cooperation of the Company or a Dependent Company with another legal entity or company or as a partner with full liability in a limited partnership or general partnership, if such cooperation or termination is of major significance for the Company;
  - e. participation by the Company or a Dependent Company in the capital of another company if the value of such participation is at least one quarter of the amount of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes, as well as significantly increasing or reducing such participation;
  - f. investments requiring an amount equal to at least one quarter of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes;
  - g. proposal to amend the articles of association;
  - h. proposal to dissolve the Company;
  - i. petition for bankruptcy or a request for suspension of payments (*surseance van betaling*);
  - j. termination of the employment of a considerable number of employees of the Company or of a Dependent Company simultaneously or within a short period of time;
  - k. radical change in the employment conditions of a considerable number of employees of the Company or of a Dependent Company;
  - l. proposal to reduce the Company's issued capital.
- 14.2. The approval of the General Meeting shall be required for Management Board resolutions regarding major changes in the identity or character of the Company or the business, including in any case:
- a. the transfer of the business, or virtually all of the business, to a third party;
  - b. entering into or cancelling any long-term co-operative relationship between the Company or a Subsidiary and another legal entity or company, or in its capacity as a fully liable partner in a limited partnership or general partnership, if such co-operation or cancellation has a substantial impact on the Company;
  - c. acquiring or disposing of a participation in the capital of a Company worth at least one-third of the amount of the assets in accordance with the balance sheet and explanation or, or if the Company draws up a consolidated balance sheet, in accordance with the consolidated



balance sheet and explanation according to the most recently adopted annual accounts of the Company, by the Company or a Subsidiary.

- 14.3. A resolution referred to in article 14.2 shall only be submitted to the General Meeting after the Works Council has been timely granted the opportunity to determine its point of view before the date of the notice of such General Meeting. The absence of the point of view shall not affect the decision making concerning such proposal. If the Works Council determines its point of view in respect of the proposal, the Management Board shall inform the Supervisory Board and the General Meeting of such point of view. The Works Council may have its point of view explained in the General Meeting.
- 14.4. The Supervisory Board is entitled to also require other resolutions of the Management Board to be subject to its approval. Such resolutions must be clearly specified and notified to the Management Board in writing.
- 14.5. The absence of approval required pursuant to this article 14 will not affect the authority of the Management Board or its members to represent the Company.

## 15. Unavailability or inability to act of a member of the Management Board

- 15.1. In the event that one or more members of the Management Board are absent or unable to act, the remaining member of the Management Board or the sole remaining member of the Management Board shall be temporarily charged with the Company's entire management. If all members of the Management Board are, or the only member of the Management Board is absent or unable to act, the Supervisory Board shall temporarily be charged with the Company's management; in such case, the Supervisory Board shall also be authorised to appoint one of its members or another person who shall be temporarily charged with the Company's management.
- 15.2. In the event of inability to act, the Supervisory Board shall take appropriate measures as soon as possible in order to have definitive provisions made.
- 15.3. In determining to what extent the members of the Management Board are attending, being represented, consenting with the manner of decision making or voting, the temporary observers will be taken in account and the vacant seats for which no temporary observer has been appointed will not be taken in account.



## 16. Remuneration and employment conditions members of the Management Board

- 16.1. The Company has a policy with respect to the remuneration of the members of the Management Board. This policy is adopted by the General Meeting; the Supervisory Board will make a proposal to that end. The remuneration policy will include at least the subjects described in sections 2:383c through 2:383e DCC, to the extent these subjects concern the Management Board.
- 16.2. A proposal to determine or amend the remuneration policy shall only be submitted to the General Meeting after the Works Council has been timely granted the opportunity to determine its point of view before the date of the notice of such General Meeting. The absence of the point of view shall not affect the decision making concerning such proposal. If the Works Council determines its point of view in respect of the proposal, the Management Board shall inform the Supervisory Board and the General Meeting of such point of view. The Works Council may have its point of view explained in the General Meeting
- 16.3. The Supervisory Board will establish the remuneration and further conditions of employment for each member of the Management Board with due observance of any rules and regulations as applicable to the Company, including aforementioned remuneration policy and the claw back provisions as referred to in section 2:135 DCC. With respect to Share and Share option schemes, the Supervisory Board will submit a proposal for approval to the General Meeting. This proposal must at least state the number of Shares or options that can be awarded to the Management Board as well as the criteria that apply to any award or change.

## 17. Management Board rules and regulations

- 17.1. The Management Board may adopt board rules and regulations, allocating duties to one or more members of the Management Board and regulating any such subjects as the Management Board deems necessary or appropriate. A resolution to adopt regulations shall be taken by the Management Board after obtaining the prior approval of the Supervisory Board.
- 17.2. The regulations shall not be inconsistent with Dutch law or these articles of association.
- 17.3. The Management Board may alter or cancel the regulations, taking into account the provisions of the second sentence of article 17.1.

## 18. Holders of a power of attorney

- 18.1. The Management Board may grant, with the approval of the Supervisory Board, one or more persons, whether or not in the Company's employ, a power of attorney or other form of authority to represent the Company or to grant one or more persons such titles as it sees fit.

## 19. Representation

- 19.1. The authority to represent the Company shall vest exclusively in:
- the Management Board; or
  - any two members of the Management Board acting jointly.

## 20. Supervisory Board

- 20.1. A Supervisory Board shall supervise the policy of the Management Board and the general course of affairs in the Company and the business affiliated with the Company, said Supervisory Board comprising at least three individuals, the precise number to be determined by the Supervisory Board.
- 20.2. The Supervisory Board must prepare a profile for its size and composition, taking account of the nature and activities of the business, the desired expertise and background of the members of the Supervisory Board, the desired mixed composition and the size of the Supervisory Board and the independence of the members of the Supervisory Board.
- The Supervisory Board will discuss the profile upon its adoption, as well as upon each change, in the General Meeting and with the Works Council.
- 20.3. The Supervisory Board shall render advice to the Management Board. In the fulfilment of their duty, the members of the Supervisory Board shall orient themselves according to the interests of the Company and its related business. The Management Board shall provide the Supervisory Board in a timely fashion with the information it needs to exercise its remit.
- 20.4. In the performance of its duties, the Supervisory Board may call upon the assistance of one or more experts for a fee chargeable to the Company.
- 20.5. The Management Board shall inform the Supervisory Board, in writing, and at least once a year, of the main outlines of the Company's strategic policy, the general and financial risks, and the management and control system.
- 20.6. The Supervisory Board may determine that one or more members of the Supervisory Board have access to the offices and business premises of the Company and that these persons are authorised to inspect the books and

- records of the Company and to inspect all acts that have taken place or are entitled to a part of these powers.
- 20.7. If the Supervisory Board comprises more than four members, the Supervisory Board shall establish from its midst an audit committee, a remuneration committee and a selection and appointment committee or one or more of each of these committees. The committees' task shall be to prepare the Supervisory Board to pass resolutions and to render advice to the Supervisory Board. The Supervisory Board shall adopt rules for each committee providing the duties of the relevant committee.
- 20.8. The remuneration of each member of the Supervisory Board will be fixed by the General Meeting and will not be made dependent on the profit of the Company.

## 21. Appointment of members of the Supervisory Board

- 21.1. Save as otherwise provided in article 21.7, the members of the Supervisory Board shall be appointed by the General Meeting on the recommendation of the Supervisory Board.
- The Supervisory Board shall announce its recommendation to the General Meeting and the Works Council simultaneously. The recommendation shall include a statement of reasons and substantiation. In the case of reappointment of a member of the Supervisory Board, account shall be taken of the manner in which the candidate has performed his/her tasks as a member of the Supervisory Board. Without prejudice to the provisions in article 22.1, the articles of association may not restrict the pool of persons eligible for appointment.
- 21.2. The General Meeting and the Works Council may recommend persons to the Supervisory Board for appointment as members of the Supervisory Board. The Supervisory Board shall inform them in good time for that purpose of when, why and based on which profile a position on its Board is to be filled. If the enhanced right of recommendation applies to the vacancy within the meaning of article 21.4, the Supervisory Board shall also state that such is the case.
- 21.3. A nomination or recommendation as referred to in this article 21, shall state the candidate's age, profession, the amount of the Shares held by him and the positions he holds or has held, in as far as they are relevant for the performance of this duties as member of the Supervisory Board.
- Furthermore, it shall be stated which companies he is already associated with as a Supervisory Board member; if they include companies belonging to one and the same group, an indication of this group shall suffice. The nomination

and recommendation for appointment or reappointment shall also state reasons.

- 21.4. For one-third of its members, the Supervisory Board shall place a person recommended by the Works Council on the list of nominees unless the Supervisory Board objects to the appointment on the grounds that it expects the person recommended to be unfit to perform the duties of a member of the Supervisory Board, or that the Supervisory Board will not be properly composed if the person recommended is appointed. If the number of members of the Supervisory Board is not divisible by three, the next lower number that is divisible by three shall be taken into account when determining the number of members to whom the enhanced right of recommendation applies.
- 21.5. If the Supervisory Board objects, it shall notify the Works Council of its objection, stating its reasons. The Supervisory Board shall immediately consult with the Works Council with a view to reaching agreement on the nomination. If the Supervisory Board establishes that no agreement can be reached, a member of the Supervisory Board designated for that purpose shall request the Enterprise Section to declare the objection well-founded. Such request shall not be submitted until four weeks have passed since the start of consultations with the Works Council.
- If the Enterprise Section declares the objection to be unfounded, the Supervisory Board shall place the person recommended on the list of nominees. If the Enterprise Section declares the objection to be well-founded, the Works Council may make a new recommendation in accordance with article 21.3.
- 21.6. The Enterprise Section shall have the Works Council convened. There shall be no legal remedy against the decision rendered by the Enterprise Section. The Enterprise Section cannot order any party involved to bear the costs of the proceedings.
- 21.7. The General Meeting may reject the nomination by an absolute majority of the votes cast representing at least one-third of the issued capital. If less than one-third of the issued capital was represented at the General Meeting, a new General Meeting may be convened, at which General Meeting the nomination can be rejected by an absolute majority of the votes cast. The Supervisory Board shall then draw up a new list of nominees. Articles 21.2 to 21.6, inclusive, shall apply. If the General Meeting does not appoint the person nominated and does not resolve to reject the nomination, the Supervisory Board shall appoint the person proposed.

## 22. Incompatibilities, resignation, dismissal and suspension of members of the Supervisory Board

- 22.1. The following persons may not be appointed as a member of the Supervisory Board:
- a. individuals employed by the Company;
  - b. individuals employed by a Dependent Company;
  - c. members of the Management Board and individuals employed by an organisation representing employees, which might be involved with the determination of the terms and conditions of employment of the individuals mentioned under a. and b.
- 22.2. Members of the Supervisory Board resign on the date of the first General Meeting held after the term of their appointment or on the date as determined in the retirement schedule.  
Save as otherwise provided in this article 22, a resigning member of the Supervisory Board may be reappointed.  
A member of the Supervisory Board appointed to fill an interim vacancy shall stand in his predecessor's stead with regard to his date of appointment, unless the Supervisory Board stipulates otherwise upon that member of the Supervisory Board's appointment.
- 22.3. The members of the Supervisory Board will retire periodically by rotation in accordance with a schedule of retirement drawn up by the Supervisory Board. Any alteration to the schedule of retirement cannot imply that a member sitting on the Supervisory Board should resign against his will before the term of his appointment has lapsed.
- 22.4. The Enterprise Section may, on receipt of a relevant application, dismiss a member of the Supervisory Board for dereliction of duty or other serious reasons or on account of a far-reaching change of circumstances as a result of which the Company cannot reasonably be expected to allow him to continue in office as member of the Supervisory Board. The application may be filed either by the Company, represented in this matter by the Supervisory Board, or by a representative of the General Meeting or of the Works Council designated for this purpose.
- 22.5. A member of the Supervisory Board may be suspended by the Supervisory Board. Such a suspension shall lapse automatically if the Company has not submitted a request for dismissal as described in section 2:161 paragraph 2 DCC to the Enterprise Section within one month of the commencement of the suspension.
- 22.6. The General Meeting can by an absolute majority of the votes cast, representing at least one-third of the issued capital, abandon the confidence in

- the Supervisory Board. The reasons for the abandonment shall be stated. This resolution cannot be made relating to members of the Supervisory Board appointed by the Enterprise Section pursuant to article 22.8.
- 22.7. A resolution as referred to in article 22.6 cannot be passed until the Management Board has notified the Works Council of the proposal for the resolution and the grounds to that end. The Works Council must be given such a notification at least thirty days before the General Meeting during which the proposal is to be discussed. If the Works Council adopts a position regarding the proposal, the Management Board shall inform the Supervisory Board and the General Meeting of that position. The Works Council may explain its position at the General Meeting.
- 22.8. Adoption of a resolution within the meaning of article 22.6 shall bring about the immediate dismissal of the members of the Supervisory Board. The Management Board shall then immediately request the Enterprise Section to appoint one or more temporary members of the Supervisory Board. The Enterprise Section shall make arrangements for the consequences of the appointment.
- 22.9. The Supervisory Board will advance the constitution of the new Board in accordance with section 2:158 DCC within a period of time fixed by the Enterprise Section.

## 23. Adoption of resolutions by the Supervisory Board

- 23.1. The Supervisory Board shall adopt resolutions by a majority of the votes cast in a meeting of the Supervisory Board, in which at least the majority of the members of the Supervisory Board are present or represented.  
If the vote is tied, the proposal shall be deemed to have been rejected.
- 23.2. With due consideration of article 23.4, each member of the Supervisory Board shall be entitled to cast one vote in meetings of the Supervisory Board.
- 23.3. A member of the Supervisory Board that has a conflict of interest with respect to a proposed Supervisory Board resolution should immediately report this to the chairman of the Supervisory Board and provides all relevant information. If the chairman of the Supervisory Board has a conflict of interest with respect to a proposed Supervisory Board resolution, he should immediately report this to the other members of the Supervisory Board.
- 23.4. A member of the Supervisory Board shall not participate in the deliberation and decision-making process if he has a conflict of interest. In the event that, as a consequence of the preceding sentence, a resolution cannot be adopted, the resolution will be adopted by General Meeting.

- 23.5. Unless a member of the Supervisory Board has a conflict of interest with regard to a proposed resolution, he can be represented in meetings of the Supervisory Board. Such representation can only be made by another member of the Supervisory Board who does not have a conflict of interest and pursuant to a written power of attorney and within the limits of such power of attorney.
- 23.6. The Supervisory Board may also adopt resolutions without convening a meeting, provided that all voting members of the Supervisory Board have been consulted and none of them have raised an objection to adopt resolutions in this manner. Written decision making takes place by means of written statements of all voting members of the Supervisory Board. To resolutions outside of a meeting the majority specified in article 23.1 shall apply.  
Any resolution thus passed shall be reported in the register of minutes of the Supervisory Board meetings taken by the secretary to said board; any and all records furnishing proof that any such resolution was passed shall be kept with said register.
- 23.7. Upon invitation, the members of the Management Board shall be obliged to attend meetings of the Supervisory Board and to furnish on that occasion any and all information which said board should wish to have.

## 24. Unavailability or inability to act of a member of the Supervisory Board.

- 24.1. If the number of members of the Supervisory Board falls below three, the Supervisory Board shall take immediate measures to restore its numbers.
- 24.2. If a member of the Supervisory Board is unavailable or unable to act, then the supervision of the Company shall be vested in the remaining members of the Supervisory Board or the sole remaining member of the Supervisory Board.
- 24.3. If no member of the Supervisory Board is available or able to act, the supervision of the Company shall be temporarily vested in an individual designated for that purpose by the General Meeting. The provisions in these articles of association regarding the Supervisory Board and the members of the Supervisory Board shall, to the extent possible, apply mutatis mutandis to such designated person.

## 25. Supervisory Board rules and regulations

- 25.1. The Supervisory Board may adopt board rules and regulations, allocating duties to one or more members of the Supervisory Board and regulating any



such subjects as the Supervisory Board deems necessary or appropriate. A resolution to adopt regulations shall be taken by the Supervisory Board.

- 25.2. The regulations shall not be inconsistent with Dutch law or these articles of association.
- 25.3. The Supervisory Board may alter or cancel the regulations.

## 26. Indemnification

- 26.1. To the extent permissible by the rules and regulations as applicable to the Company, the following shall be reimbursed to current and former members of the Management Board and the Supervisory Board:
  - a. the reasonable costs of conducting a defence against claims for damages or of conducting defence in other legal proceedings;
  - b. any damages payable by them;
  - c. the reasonable costs of appearing in other legal proceedings in which they are involved as current or former members of the Management Board or the Supervisory Board, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf, based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company's request – in the latter situation only if and to the extent that these costs and damages are not reimbursed on account of these other duties.
- 26.2. There shall be no entitlement to reimbursement as referred to under article 26.1 and any person concerned will have to repay the reimbursed amount if and to the extent that:
  - a. a Dutch court, or in the case of arbitration, an arbitrator, has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterised as wilful (opzettelijk), intentionally reckless (bewust roekeloos) or seriously culpable (ernstig verwijtbaar) conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness;
  - b. the costs or damages directly relate to or arise from legal proceedings between a current or former member of the Management Board or the Supervisory Board and the Company or its Group Companies, with the exception of legal proceedings that have been brought by one or more Shareholders, according to Dutch law or otherwise, on behalf of the Company; or
  - c. the costs or financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs or financial loss.



- 26.3. The Company will take out liability insurance for the benefit of the current and former members of the Management Board and/or the Supervisory Board, whether or not the Company would have the power to indemnify him against such liability under the provisions of articles 26.1 and 26.2.

## 27. General Meetings

- 27.1. The annual General Meeting shall be held within six months after the close of each financial year.
- 27.2. The agenda of the General Meeting shall list which items are up for discussion and which items are to be voted on. The following items are dealt with as separate agenda items:
- a. review of the management report;
  - b. adoption of the annual accounts;
  - c. material changes to these articles of association;
  - d. proposals relating to the appointment of members of the Management Board and members of the Supervisory Board;
  - e. any proposal to pay out dividend;
  - f. the policy of the Company on additions to reserves and on dividends;
  - g. discharge of members of the Management Board for their management;
  - h. discharge of members of the Supervisory Board for their supervision;
  - i. each substantial change in the corporate governance structure of the Company;
  - j. the appointment of the External Auditor.
- 27.3. Other General Meetings shall be held as often as the Management Board or the Supervisory Board considers such to be necessary, without prejudice to the provisions in articles 2:108a, 2:111 and 2:112 DCC.

## 28. Location, convening, notices

- 28.1. General Meetings shall be held in Amersfoort, Amsterdam, Rotterdam, The Hague, or Utrecht.
- 28.2. Shareholders and other persons holding Meeting Rights shall be convened to the General Meeting by the Management Board or the Supervisory Board. Notice of the meeting must be given with due observance of the statutory notice period.
- 28.3. Shareholders and/or other persons holding Meeting Rights, who, alone or jointly, meet the requirements set forth in section 2:114a paragraph 1 DCC will have the right to request the Management Board or the Supervisory Board to place items on the agenda of the General Meeting, provided the reasons for

- the request must be stated therein and the request must be received by the chairman of the Management Board in writing at least sixty (60) days before the date of the General Meeting.
- 28.4. The notice of the meeting will state:
- a. the subjects to be dealt with;
  - b. the venue and time of the General Meeting;
  - c. the requirements for admittance to the General Meeting as described in articles 29.2, and 29.3, as well as the information referred to in article 32.2 (if applicable); and
  - d. the address of the Company's website, and such other information as may be required by law.
- 28.5. Further communications which must be made to the General Meeting pursuant to the law or these articles of association can be made by including such communications either in the notice, or in a document which is deposited at the Company's office for inspection, provided a reference thereto is made in the notice itself.
- 28.6. All convening notices of, or notifications or communications to, Shareholders or other persons holding Meeting Rights will be given in accordance with the requirements of law and the requirements of regulation applicable to the Company pursuant to the listing of its Shares on the stock exchange of Euronext Amsterdam N.V.
- 28.7. The Management Board may determine that Shareholders and other persons holding Meeting Rights will be given notice of meetings exclusively by announcement on the website of the Company and/or through other means of electronic public announcement, to the extent in accordance with 28.6.
- 28.8. Shareholders and other persons holding Meeting Rights may also be given notice in writing. Barring proof to the contrary, the provision of an electronic mail address by a person holding Meeting Rights to the Company will constitute evidence of that Shareholder's consent to the sending of notices electronically.

## 29. Meeting rights and admittance

- 29.1. Each Shareholder and each other person holding Meeting Rights is authorised to attend, to speak at, and to the extent applicable, to exercise his voting rights in the General Meeting. They may be represented by a proxy holder authorised in writing.
- 29.2. For each General Meeting a statutory record date will be applied, in order to determine in which persons voting rights and Meeting Rights are vested. The record date and the manner in which persons holding Meeting Rights can

- register and exercise their rights will be set out in the notice convening the meeting.
- 29.3. A person holding Meeting Rights or his proxy holder will only be admitted to the meeting if he has notified the Company of his intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting. The proxy is also required to produce written evidence of his mandate.
- 29.4. The Management Board is authorised to determine that the Meeting Rights and voting rights can be exercised by using an electronic means of communication. If so decided, it will be required that each person holding Meeting Rights, or his proxy holder, can be identified through the electronic means of communication, follow the discussions in the meeting and, to the extent applicable, exercise the voting right. The Management Board may also determine that the electronic means of communication used must allow each person holding Meeting Rights or his proxy holder to participate in the discussions.
- 29.5. The Management Board may determine further conditions to the use of electronic means of communication as referred to in article 29.4, provided such conditions are reasonable and necessary for the identification of persons holding Meeting Rights and the reliability and safety of the communication. Such further conditions will be set out in the notice of the meeting. The foregoing does, however, not restrict the authority of the chairman of the meeting as referred to in article 30.1 to take such action as he deems fit in the interest of the meeting being conducted in an orderly fashion. Any non or malfunctioning of the means of electronic communication used is at the risk of the persons holding Meeting Rights using the same.
- 29.6. The Company secretary will arrange for the keeping of an attendance list in respect of each General Meeting. The attendance list will contain in respect of each person with voting rights present or represented: his name, the number of votes that can be exercised by him and, if applicable, the name of his representative. The attendance list will furthermore contain the aforementioned information in respect of persons with voting rights who participate in the meeting in accordance with article 29.4 or which have cast their votes in the manner referred to in article 32.2. The chairman of the meeting can decide that also the name and other information about other people present will be recorded in the attendance list. The Company is authorised to apply such verification procedures as it reasonably deems necessary to establish the identity of the persons holding Meeting Rights and, where applicable, the identity and authority of representatives.

- 29.7. The members of the Supervisory Board and the members of the Management Board will have the right to attend the General Meeting in person and to address the meeting. They will have the right to provide their advice in the meeting. Also, the External Auditor is authorised to attend and address the General Meetings.
- 29.8. Another language than Dutch may be used in the General Meeting if so decided by the chairman of the meeting.
- 29.9. The chairman of the meeting will decide upon the admittance to the meeting of persons other than those aforementioned in this article 29.

### 30. Chairman and secretary

- 30.1. The General Meeting shall be chaired by the chairman of the Supervisory Board. If the chairman of the Supervisory Board wishes another party to chair the General Meeting, or if he is absent from the General Meeting, the members of the Supervisory Board present at the General Meeting shall appoint a chairman from their midst.
- 30.2. If all of the members of the Supervisory Board are absent, the General Meeting shall choose its own chairman, provided that for the period this has not been done, a member of the Management Board, appointed by the members of the Management Board attending, will be the chairman of the General Meeting.  
The chairman of the General Meeting shall designate the secretary of the General Meeting.
- 30.3. Unless a notarial record thereof is prepared, minutes shall be kept of the matters addressed during the General Meeting. Said minutes shall be confirmed, and signed in evidence thereof, by the chairman and the secretary of the meeting in question or, if this does not occur, confirmed by a following General Meeting; in the latter case, they shall be signed for confirmation by the chairman and secretary of said following General Meeting.
- 30.4. The chairman of the meeting, and also any member of the Management Board or member of the Supervisory Board may at any time, instruct that a notarial record of the meeting be prepared, at the expense of the Company. The instruction to prepare a notarial record has to be made in timely matter.

### 31. Votes

- 31.1. Without prejudice to the provisions of article 7.5, each Share confers a right to cast one vote at the General Meeting.
- 31.2. Blank and invalid votes shall be deemed not to have been cast.

## 32. Resolutions

- 32.1. All resolutions of the General Meeting shall be passed by an absolute majority of the votes cast unless these articles of association or the law require a larger majority.
- 32.2. The Management Board may determine that votes cast prior to the General Meeting by electronic means of communication or by mail, are equated with votes cast at the time of the General Meeting. Such votes may not be cast before the record date referred to in article 29.2. Without prejudice to the provisions of article 29 the notice convening the General Meeting must state how Shareholders may exercise their rights prior to the meeting.
- 32.3. In determining to what extent the Shareholders are voting, attending, being represented or to what extent the issued capital of the Company is represented, no account shall be taken of Shares in respect of which the law prescribes that no votes may be cast.

## 33. Meetings of holders of Shares of a particular class.

- 33.1. Meetings of holders of Shares of a particular class will be held whenever the Management Board or the Supervisory Board calls such meetings. The provisions of article 28 through article 32 with the exception of article 29.7, apply by analogy, with the proviso that with respect to a meeting of holders of Shares of a particular class which are not listed, the term for convening such meeting is at least fifteen days and no record date applies.
- 33.2. A meeting of holders of Preference Shares at which all outstanding Preference Shares are represented may, only pursuant to a proposal by the Management Board and subject to the approval of the Supervisory Board, also if the provisions of article 33.1 have not been observed, pass valid resolutions, provided they are passed unanimously.

## 34. Financial year, annual accounts

- 34.1. The financial year shall coincide with the calendar year.
- 34.2. The Management Board shall prepare the annual financial statements annually within four months of the close of each financial year. The annual accounts shall be accompanied by an auditor's statement as referred to in article 35.2, the management report and – to the extent applicable to the Company – the other data referred to in section 2:392 paragraph 1 DCC. Annually, the Supervisory Board must prepare a report, which will be enclosed with the annual accounts and the management report.

- The annual accounts shall be signed by all members of the Management Board and the Supervisory Board. If one or more of their signatures are missing, that fact shall be stated, together with the reasons for the omission.
- 34.3. The Company shall ensure that the prepared annual financial statements, the management report, and the other information referred to in article 34.2 are available at the Company's offices, at the place stated in the convening notice, from the day the notice is sent convening the General Meeting intended to discuss these documents and information. The Shareholders and other holders of Meeting Rights may inspect those documents there and obtain copies free of charge. Third parties may obtain a copy at the aforesaid locations at cost price.
- 34.4. The General Meeting shall adopt the annual accounts. The Management Board shall submit the annual accounts simultaneously for adoption by the General Meeting and for discussion by the Works Council.
- 34.5. After the proposal to adopt the annual accounts has been discussed, a proposal shall be made to the General Meeting, in connection with the annual accounts and the statements made regarding them at the General Meeting, to discharge the members of the Management Board for their management and the members of the Supervisory Board for their supervision in the last financial year.
- 34.6. The annual accounts cannot be adopted if the General Meeting has not been able to review the auditor's statement from the External Auditor referred to in article 35.2, which statement must have been added to the annual accounts, unless the information to be added to the annual accounts states a legal reason why the statement has not been provided.

## 35. External Auditor

- 35.1. The General Meeting shall instruct an External Auditor to audit the annual accounts as drawn up by the Management Board in accordance with the provisions of section 2:393 paragraph 3 DCC. The External Auditor shall notify the Supervisory Board and the Management Board of the results of his investigation. In this it will address at a minimum its findings concerning the reliability and continuity of the automated data processing system.
- 35.2. The External Auditor will report on the results of its examination, in an auditor's statement, regarding the accuracy of the annual accounts.
- 35.3. The External Auditor is entitled to inspect all of the Company's books and documents and is prohibited from divulging anything shown or communicated to it regarding the Company's affairs except insofar as required to fulfil its mandate. Its fee is chargeable to the Company.

Both the Management Board and the Supervisory Board may engage the External Auditor at the expense of the Company.

## 36. Profits and losses

36.1. After adoption of the annual accounts, but no later than within six months from the end of the financial year concerned, a cash distribution will be made on the Preference Shares in respect of the previous financial year, which distribution will be calculated as follows:

- (i) if the payment of the Preference Shares has been charged to the reserves of the Company, the annual distribution for all issued Preference Shares will amount to the aggregate amount of one thousand euro (EUR1,000);
- (ii) otherwise, the distribution will be a percentage equal to the average one monthly Euribor (Euro Interbank Offered Rate) – weighted to reflect the number of days for which the payment is made – plus a premium, to be determined by the Management Board, subject to the approval of the Supervisory Board, of at least one percentage point and at most four percentage points, depending on the prevailing market conditions.

The distributions mentioned under (i) and (ii) shall be calculated over the proportionate period of time if the relevant Preference Shares were issued in the course of the financial year. Distributions in respect of the Preference Shares are calculated over the paid up part of their nominal value. The making of such distributions is subject to the provision of article 36.5.

The amounts of said distributions will be charged to the profits realised during the financial year in respect of which it is made or, if such profits are insufficient, any other part of the Company's distributable equity.

No further distributions will be made on the Preference Shares.

36.2. The Management Board, with the approval of the Supervisory Board, may decide that the profits realised during a financial year and remaining after application of article 36.1 are fully or partially appropriated to increase or form reserves.

36.3. The profits remaining after application of articles 36.1 and 36.2 shall be put at the disposal of the General Meeting. The Management Board, with the approval of the Supervisory Board, shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting.

36.4. The Company's policy on reserves and dividends shall be determined and can be amended by the Management Board, subject to the approval of the



Supervisory Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting under a separate agenda item.

- 36.5. The Company may distribute profits to Shareholders and other persons eligible to receive any share of the distributable profits only insofar as the Company's shareholders' equity exceeds the total amount of the paid-up and called-up capital plus the statutory reserves.

## 37. Distributions

- 37.1. Distributions become eligible and payable with effect from the date established by the Management Board; the date for a distribution on Ordinary Shares may differ for that on Preference Shares.
- 37.2. Any Shareholder's claim to payment of dividend shall lapse five years after it first originated.
- 37.3. Provided it appears from an interim statement of assets signed by the Management Board that the requirement mentioned in article 36.5 concerning the position of the Company's assets has been fulfilled, the Management Board may, with the approval of the Supervisory Board, make one or more interim distributions to the holders of Ordinary Shares and/or to the holders of Preference Shares, with regard to Preference Shares, however, subject to the maximum distribution amount set forth in article 36.1.
- 37.4. The Management Board may, with the approval of the Supervisory Board, decide that a distribution on Ordinary Shares shall not take place as a cash payment but as a payment in Ordinary Shares, or decide that holders of Ordinary Shares shall have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, out of the profit and/or at the expense of reserves, provided that the Management Board is designated by the General Meeting pursuant to article 5.1. Subject to the approval of the Supervisory Board, the Management Board shall establish the conditions under which such choice may be made.
- 37.5. Distributions from the Company's distributable reserves and resolutions to cease maintaining all or part of the reserves are adopted by the General Meeting after the prior approval of the Management Board and the Supervisory Board.
- 37.6. For all dividends and other distributions in respect of Shares included in the Statutory Giro System the Company will be discharged from all obligations towards the relevant Shareholders by placing those dividends or other distributions at the disposal of, or in accordance with the regulations of, Euroclear Netherlands.



## 38. Amendment to the articles of association, dissolution

- 38.1. The General Meeting may pass a resolution to amend the articles of association or to dissolve the Company, with an absolute majority of the votes cast, but only on a proposal of the Management Board that has been approved by the Supervisory Board. Any such proposal must be stated in the notice of the General Meeting.
- 38.2. In the event of a proposal to the General Meeting to amend the articles of association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by Shareholders and other persons holding Meeting Rights, until the end of the meeting. Furthermore, a copy of the proposal will be made available free of charge to Shareholders and other persons holding Meeting Rights from the day it was deposited until the day of the meeting.
- 38.3. A resolution of the General Meeting to amend these articles of association which has the effect of reducing the rights attributable to holders of Shares of a particular class, is subject to approval of the meeting of holders of Shares of that class.

## 39. Liquidation

- 39.1. If the Company is dissolved, the liquidation shall be handled with due observance of the statutory provisions. During the Company's liquidation, these articles of association shall remain in force to the extent possible.
- 39.2. From the balance of the Company's assets after payment of all debts and the costs of the liquidation shall be paid first, to the extent possible, to the holders of Preference Shares, the amount paid-up on their Preference Shares, increased with a percentage equal to the percentage referred to in article 36.1, calculated over each year or part of a year of the period commencing on the first day following the period over which the last distribution on the Preference Shares was paid and ending on the day of the payment on Preference Shares referred to in this article 39.2.  
The remaining assets shall then be distributed to the holders of Ordinary Shares.  
All distributions shall be made in proportion to the number of Shares of the class concerned held by each Shareholder.
- 39.3. After the close of the liquidation, the accounts and records of the Company shall remain in the custody of the person designated for that purpose by the liquidators for the stationary period.

## SCHEDULE 3 MANAGEMENT BOARD RULES

### Informal translation

#### DEFINITIONS AND INTERPRETATION

<b>Articles of Association</b>	means the articles of association of the Company, as amended from time to time;
<b>Audit Committee</b>	means the audit committee of the Supervisory Board;
<b>Chairman</b>	means the chairman of the Management Board;
<b>Conflict of Interest (<i>tegenstrijdig belang</i>)</b>	means a direct or indirect personal interest that conflicts with the interests of the Company in the meaning of section 2:129 paragraph 6 of the Dutch Civil Code or a conflict of interest as described in article 11 of these Management Board Rules;
<b>Company</b>	means Koninklijke VolkerWessels N.V.;
<b>Company Secretary</b>	means the company secretary appointed in accordance with article 4.3 of these Management Board Rules;
<b>DFSA</b>	means the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> );
<b>Dutch Corporate Governance Code</b>	means the Dutch corporate governance code dated 8 December 2016, as amended from time to time;
<b>General Meeting</b>	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;
<b>Group</b>	means the Company and its Subsidiaries;
<b>Independent Supervisory Board Member</b>	means a member of the Supervisory Board who is considered to be independent in accordance with best practice provision 2.1.8 of the Dutch Corporate Governance Code;
<b>Inside Information</b>	means inside information as defined in the Company's insider trading policy;
<b>Issuer</b>	means a legal person or company of which (depository receipts of) shares or equivalent securities are admitted to trading, or of which admission is requested, on a regulated market, a multilateral trading facility or an organized trading facility (as referred to in article 4 paragraph 1 under

21, 22 and 23 of Directive (2014/65/EU) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments), or any equivalent market outside the European Union;

<b>Management Board</b>	means the management board ( <i>raad van bestuur</i> ) of the Company;
<b>Management Board Rules</b>	means these rules for the Management Board, as amended from time to time;
<b>Related Party Transactions Policy</b>	means the policy included in the <u>Annex II</u> to these Management Board Rules;
<b>Securities (effecten)</b>	has the meaning given thereto in section 1:1 of the DFSA;
<b>Shareholders</b>	means one or more holders of Shares;
<b>Shares</b>	means the issued shares ( <i>geplaatst kapitaal</i> ) in the share capital of the Company;
<b>Subsidiary</b>	means a subsidiary within the meaning of section 2:24a of the Dutch Civil Code;
<b>Supervisory Board</b>	means the supervisory board ( <i>raad van commissarissen</i> ) of the Company;
<b>Supervisory Board Rules</b>	means the rules for the Supervisory Board, as amended from time to time.

## 1. Duties and responsibilities of the Management Board

- 1.1. The Management Board is entrusted with the management of the Group and is responsible for the continuity of the Group.
- 1.2. The Management Board focuses on long-term value creation for the Group and takes into account the stakeholder interests that are relevant in this context.
- 1.3. In fulfilling their responsibilities the members of the Management Board act in the interest of the Group and give specific attention to the relevant interests of the Company's employees, shareholders, lenders, customers, suppliers and other stakeholders of the Group.

### Responsibilities

- 1.4. The responsibilities of the Management Board include:
  - a. setting the Company's management agenda;
  - b. developing a view on long-term value creation by the Group;
  - c. enhancing the performance of the Group;

- d. developing a strategy, taking into account sub b above;
- e. identifying, analysing and managing the risks associated with the Company's strategy and activities;
- f. discussing the draft audit plan with the external auditor before it is being presented to the audit committee;
- g. establishing and implementing internal procedures which safeguard that all relevant information is known to the Management Board and all relevant information is known to the Supervisory Board in a timely manner;
- h. reviewing, at least once per year, the functioning of the Management Board and its individual members and review those aspects which merit further training or education;
- i. discussing the Group conduct and culture with the employee participation body;
- j. structuring and managing systems of internal business controls;
- k. compliance by the Group with applicable laws and regulations;
- l. compliance with and maintaining the corporate governance structure of the Group;
- m. the publication by the Company of any information required by applicable laws and regulations; and
- n. preparing the Company's annual accounts, the annual budget and a list of significant capital expenditures.

### Strategy

- 1.5. When developing the strategy in line with its view on long-term value creation by the Group, the Management Board pays attention to the following:
- a. the strategy's implementation and feasibility;
  - b. the business model applied by the Group and the market in which the Group operates;
  - c. opportunities and risks for the Group;
  - d. the Group's operational and financial goals and their impact on its future position in relevant markets;
  - e. the interests of the stakeholders; and
  - f. any other aspects relevant to the Group, such as the environment, social and employee-related matters, the chain within which the enterprise operates, respect for human rights, and fighting corruption and bribery.
- Depending on market dynamics, it may be necessary to make short-term adjustments to the strategy.

### Risk management

- 1.6. The Management Board is responsible for establishing the risk appetite and also the measures that are put in place in order to counter the risks being

taken. Based on the risk assessment, the Management Board designs, implements and maintains adequate internal risk management and control systems. To the extent relevant, these systems should be integrated into the work processes within the Group and should be familiar to those whose work they are relevant to.

- 1.7. At least once a year the Management Board monitors the operation of the internal risk management and control systems and carries out a systematic assessment of their design and effectiveness. This monitoring will be in conformity with best practice provision 1.2.3 of the Dutch Corporate Governance Code.

#### Internal audit department

- 1.8. The Management Board is responsible for the internal audit department. The duty of the internal audit department is to assess the design and the operation of the internal risk management and control system. The Management Board both appoints and dismisses the head of the internal audit department.
- 1.9. The Management Board assesses the way in which the internal audit department fulfils its responsibility annually, taking into account the Audit Committee's opinion.
- 1.10. The internal audit plan – drawn up by the internal audit department, involving the Management Board, the Audit Committee and the external auditor and paying attention to the interaction with the external auditor – must be approved by the Management Board and the Supervisory Board.
- 1.11. The internal audit department reports its audit results to the Management Board and the essence of its audit results to the Audit Committee and informs the external auditor. The research findings of the internal audit department include, at least, the items listed in best practice provision 1.3.5 of the Dutch Corporate Governance Code.

#### External auditor

- 1.12. The Management Board ensures that the external auditor will receive all information that is necessary for the performance of his work in a timely fashion. The Management Board gives the external auditor the opportunity to respond to the information that has been provided.
- 1.13. The Company publishes a press release in the event of the early termination of the relationship with the external audit firm. The press release explains the reasons for this early termination.

#### Management report

- 1.14. In the management report, the Management Board:

- a. will give a more detailed explanation of its view on long-term value creation and the strategy for its realisation, as well as describing which contributions were made to long-term value creation in the past financial year; the Management Board reports on both the short-term and long-term developments;
- b. renders account of the items listed in best practice provision 1.4.2 of the Dutch Corporate Governance Code;
- c. makes, with clear substantiation, the statements listed in best practice provision 1.4.3 of the Dutch Corporate Governance Code; and
- d. explains the values and the way in which they are incorporated in the Group and the effectiveness of, and compliance with, the code of conduct (see article 1.17 below).

### Culture

- 1.15. The Management Board adopts values for the Group that contribute to a culture focused on long-term value creation, and discuss these with the Supervisory Board. The Management Board is responsible for the incorporation and maintenance of the values within the Group. Attention must be paid to the following, among other things:
  - a. the strategy and the business model;
  - b. the environment in which the enterprise operates; and
  - c. the existing culture within the enterprise, and whether it is desirable to complement any changes in this.
- 1.16. The Management Board encourages behaviour that is in keeping with the values, and propagates these values through leading by example.

### Code of conduct

- 1.17. The Management Board draws up a code of conduct and monitor its effectiveness and compliance with this code, both on the part of itself and of the employees of the Group. The Management Board informs the Supervisory Board of its findings and observations relating to the effectiveness of, and compliance with, the code. The code of conduct will be published on the Company's website.

### Information safeguards

- 1.18. The Management Board must provide the Supervisory Board and its committees in due time with any information the members of the Supervisory Board and the committees may need for the performance of their duties or as reasonably requested and must regularly report to the Supervisory Board on the course of business of the Group.

### Misconduct and irregularities

- 1.19. The Management Board establishes a procedure for reporting actual or suspected irregularities within the Company and its affiliated enterprise. The procedure will be published on the Company's homepage. The Management Board ensures that employees have the opportunity to file a report without jeopardising their legal position.
- 1.20. The Management Board informs the chairman of the Supervisory Board without delay of any signs of actual or suspected material misconduct or irregularities within the Company and its affiliated enterprise. If the actual or suspected misconduct or irregularity pertains to the functioning of a Management Board member, employees can report this directly to the chairman of the Supervisory Board.

## 2. Composition of the Management Board

- 2.1. The members of the Management Board are appointed, suspended and dismissed by the Supervisory Board in accordance with the provisions of the Articles of Association.
- 2.2. Each Management Board member has the specific expertise required for the fulfilment of his duties.
- 2.3. Management Board members will report any other positions (other than shareholder positions) they may have outside the Group to the Supervisory Board in advance and, at least annually, the other positions will be discussed at the Supervisory Board meeting. The acceptance of membership of a supervisory board by a Management Board member requires the approval of the Supervisory Board. Members must ensure that they will remain able to fulfil their tasks as a member of the Management Board.

## 3. Period of appointment and re-election

- 3.1. Management Board members appointed after the date of these Management Board Rules are appointed for a maximum period of four years, provided that, unless a Management Board member resigns earlier, his appointment period shall end immediately after the annual general meeting that will be held in the fourth calendar year after the date of his appointment.
- 3.2. These Management Board members may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The diversity policy drawn up in accordance with article 2.5 of the Supervisory Board Rules will be considered in the preparation of the appointment or reappointment.



- 3.3. A member of the Management Board must step down in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by the Supervisory Board.

#### 4. Chairman, CFO and Company Secretary

- 4.1. The Supervisory Board appoints one of the members of the Management Board as Chairman.
- 4.2. In addition, the Supervisory Board appoints one of the members of the Management Board as CFO (chief financial officer) to specifically oversee the Company's financial affairs.
- 4.3. The Company will have a Company Secretary. The Company Secretary, either on the recommendation of the Supervisory Board or otherwise, is appointed and dismissed by the Management Board, after the approval of the Supervisory Board has been obtained.
- 4.4. The Company Secretary supports the Management Board. The Company Secretary sees to it that correct procedures are followed and that the Management Board acts in accordance with its obligations under the law, regulations and the Articles of Association. The Company Secretary advises the Management Board on governance matters as well as on corporate legal and regulatory compliance matters. The Company Secretary attends all meetings of the Management Board and may attend meetings of its committees, unless the Management Board or respective committee resolves otherwise.

#### 5. Delegation of authorities of the members of the Management Board

- 5.1. With the approval of the Supervisory Board, the members of the Management Board may divide their tasks among themselves.
- 5.2. The Management Board may delegate certain authorities to individual members of the Management Board or to certain committees consisting of one or more members of the Management Board assisted by staff officers.

#### 6. Meetings of the Management Board

- 6.1. The Management Board meets in accordance with a schedule for its meetings adopted annually at the latest in the last scheduled meeting of the preceding year. Furthermore, the Management Board must meet whenever the Chairman or two members of the Management Board have called a meeting. Meetings are called in writing.



- 6.2. The invitation of the Management Board meeting must contain the agenda. Each member can suggest items for the agenda. The agenda and accompanying materials must be sent to the Management Board members timely before any meeting.
- 6.3. Meetings of the Management Board are generally held at the offices of the Company in Amersfoort, but may also take place elsewhere. Members may participate by telephone, videoconference or other electronic forms of direct communication.
- 6.4. Meetings of the Management Board are chaired by the Chairman. If he or she is not present, the meetings will be chaired by one of the members of the Management Board designated by the Chairman, or, in the absence of such designation, by the most senior member of the Management Board present.
- 6.5. If a member of the Management Board cannot attend a meeting, he may give a proxy to another member of the Management Board.
- 6.6. The minutes of the meetings of the Management Board are prepared under the responsibility of the Company Secretary or any other person designated by the Chairman. The minutes must be signed for adoption by the Chairman and the Company Secretary. Adopted minutes evidence the proceedings and resolutions adopted. Extracts of the minutes can be sent to committees, business units, departments, staff and third parties, where relevant.

## 7. Resolutions of the Management Board

- 7.1. Where possible, resolutions of the Management Board are adopted by unanimous vote. Where this is not possible, resolutions of the Management Board are adopted by a majority vote of the members of the Management Board present or represented. Resolutions can only be adopted if at least two thirds of the members are present or represented. Each member of the Management Board has one vote. If there are more than two members of the Management Board in office and entitled to vote, the Chairman shall have a casting vote in the event of a tie of votes within the Management Board. In other cases, the proposal shall be deemed rejected in case of a tie of votes within the Management Board. A conflicted member must not be taken into account when calculating a quorum or majority requirement. If no resolution can be adopted by the Management Board as a consequence of a Conflict of Interest of all members of the Management Board, the relevant resolution will be referred to the Supervisory Board.
- 7.2. Upon a proposal by or on behalf of the Chairman resolutions of the Management Board may also be adopted in writing if:
  - a. the proposal has been sent to all members;

- b. no member has objected to adopting the resolution in writing; and
  - c. the majority of the members of the Management Board entitled to vote, have expressed themselves in favour of the proposed resolution.
- 7.3. A declaration signed by two members of the Management Board or the Chairman and the Corporate Secretary that a resolution has been adopted serves as evidence to third parties of that resolution.
- 7.4. Resolutions to enter into transactions in which there is a Conflict of Interest with a member of the Management Board that is of material significance to the Company and/or to the relevant member(s) of the Management Board require the approval of the Supervisory Board.
- 7.5. Annex I to these Management Board Rules sets out the resolutions of the Management Board that are subject to approval of the Supervisory Board. In addition, the Supervisory Board may make such other resolutions as it deems desirable subject to its approval. These resolutions will be clearly specified and communicated in writing to the Management Board.
- 7.6. Where any of the resolutions as listed in Annex I has been expressly included in the Company's business plan as approved by the Supervisory Board, no further approval shall be required in respect of such resolution.

## 8. Relationship of the Management Board with the Supervisory Board

- 8.1. Members of the Management Board will attend the meetings of the Supervisory Board if invited.
- 8.2. The Management Board engages the Supervisory Board early on in formulating the strategy for realising long-term value creation. The Management Board renders account to the Supervisory Board of the strategy and the explanatory notes to that strategy.
- 8.3. The Management Board ensures that internal procedures are established and maintained which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely fashion.
- 8.4. The CFO will attend the Audit Committee meetings, unless the Audit Committee determines otherwise. The Audit Committee decides whether and if so, the Chairman should attend its meetings.
- 8.5. The Management Board discusses the effectiveness of the design and operation of the internal risk management and control system referred to in article 1.6 and article 1.7 of these Management Board Rules with the Audit Committee, and render account of this to the Supervisory Board.
- 8.6. The Management Board will stimulate openness and accountability within the Management Board and between the different organs within the Company.

## 9. Remuneration and agreements of the Management Board

- 9.1. The remuneration of the Management Board members is determined by the Supervisory Board, within the limits of the remuneration policy adopted by the General Meeting. The inadequate performance of duties will not be rewarded.
- 9.2. The remuneration of Management Board members in the event of dismissal 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.
- 9.3. 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.

## 10. Trading in Securities

- 10.1. With respect to the Securities of the Company, members of the Management Board are bound to the rules with respect to Inside Information and the Company's insider trading policy and must at all times comply with all Dutch and foreign statutory provisions and regulations, including notification requirements applicable to the ownership of, and transactions related to, Securities of the Company.
- 10.2. With respect to Securities of Issuers, the members of the Management Board are bound to the Company's insider trading policy, including notification requirements, applicable to the ownership of, and transactions related to, Securities of Issuers.
- 10.3. Each member of the Management Board must provide any information to the Company as is necessary to enable the Company to comply with applicable laws and regulations, including the rules of any stock exchange on which the Company is listed.

## 11. Conflicts of Interest, Related Party Transactions and personal loans

- 11.1. Management Board members are alert to Conflicts of Interest and should in any case refrain from the following:
- a. competing with the Group;
  - b. demanding or accepting substantial gifts from the Group for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
  - c. providing unjustified advantages to third parties at the Group's expense; or
  - d. taking advantage of business opportunities to which the Group is entitled for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.
- 11.2. A Conflict of Interest may exist if the Company intends to enter into a transaction with a legal entity:
- a. in which a member of the Management Board or the Supervisory Board personally has a material financial interest; or
  - b. which has a member of the management board or the supervisory board who is related under family law to a member of the Management Board or the Supervisory Board.
- 11.3. A member of the Management Board must not participate in the decision-making and deliberation process on a subject or transaction in relation to which such member has a Conflict of Interest. Such transaction must be concluded on terms customary in the sector concerned and must be approved by the Supervisory Board.
- 11.4. Each member of the Management Board must immediately report any (potential) Conflict of Interest to the chairman of the Supervisory Board and to the other members of the Management Board. Each member of the Management Board with a (potential) Conflict of Interest must provide all information relevant to that conflict to the chairman of the Supervisory Board, including the information concerning his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.
- 11.5. The Supervisory Board, without the concerned member of the Management Board being present, will determine whether a reported (potential) Conflict of Interest qualifies as a Conflict of Interest which article 11.1 of these Management Board Rules applies to or to which article 11.1 of these Management Board Rules in its opinion should be applied in a similar way.

- 11.6. In the event of a possible Related Party Transaction (as defined in the Related Party Transactions Policy), the rules of procedure as set out in the Related Party Transactions Policy must be applied.
- 11.7. Transactions as referred to in this article 11 shall be disclosed to the extent required under Dutch law, the Dutch Corporate Governance Code, applicable accounting standards or other applicable Dutch regulations. For the avoidance of doubt, the review or approval of a Related Party Transaction pursuant to the Related Party Transactions Policy does not necessarily imply that such Related Party Transaction is required to be disclosed.
- 11.8. No personal loans, guarantees or the like are granted to members of the Management Board, unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the Supervisory Board. No remission of loans will be granted.

## 12. Takeover situations

- 12.1. In the event of a takeover bid for the Shares, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in section 2:107a paragraph 1(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, both the Management Board and the Supervisory Board ensure that the stakeholder interests concerned are carefully weighed and any Conflict of Interest for Supervisory Board members or Management Board members is avoided. The Management Board is guided in its actions by the interests of the Company and its affiliated enterprise.
- 12.2. If a takeover bid has been announced for the Shares and the Management Board receives a request from a competing bidder to inspect the Company's records, the Management Board discusses this request with the Supervisory Board without delay.
- 12.3. If a private bid for a business unit or a participating interest has been made public, where the value of the bid exceeds the threshold referred to in section 2:107a paragraph 1(c) of the Dutch Civil Code, the Management Board will as soon as possible make public its position on the bid and the reasons for this position.

## 13. Status and contents of these Management Board Rules

- 13.1. These Management Board Rules are complementary to the rules and regulations (from time to time) applicable to the Management Board under Dutch law and the Articles of Association. If and to the extent these

Management Board Rules are inconsistent with Dutch law or the Articles of Association, these Management Board Rules shall not apply.

- 13.2. These Management Board Rules may be supplemented and modified by the Management Board at any time, subject to the approval of the Supervisory Board.
- 13.3. Save as otherwise provided in the Articles of Association or by law, the Management Board may in exceptional cases, as the circumstances may require, at its discretion decide to deviate from these Management Board Rules.
- 13.4. These Management Board rules shall supersede and replace previous rules adopted by the Management Board, including the management board rules of Koninklijke Volker Wessels Stevin N.V.

## 14. Governing law

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

# ANNEX I

## LIST OF APPROVAL ITEMS SUPERVISORY BOARD

1. Resolutions of the Management Board concerning the following matters require the review and approval of the Supervisory Board which approval includes the affirmative vote of at least one Independent Supervisory Board Member:
  - a. issue and acquisition of Shares and debentures at the expense of the Company or of debentures at the expense of a limited partnership (*commanditaire vennootschap*) or general partnership (*vennootschap onder firma*) in respect of which the Company is a partner with full liability;
  - b. cooperation in the issue of registered depositary receipts for Shares;
  - c. application for admission of the securities under (a) and (b) above to a regulated market or a multilateral trading facility as referred to in section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) or a system comparable to a regulated market or multilateral trading facility from a state that is not a member state, or, as the case may be, the application for the cancellation of such admission;
  - d. entering into or termination of a long term cooperation of the Company or a dependent company (as referred to in section 2:152 of the Civil Code) with another legal entity or company or as a partner with full liability in a limited partnership or general partnership, if such cooperation or termination is of major significance for the Company;
  - e. participation by the Company or a dependent company in the capital of another company if the value of such participation exceeds € 15,000,000, as well as significantly increasing or reducing such participation;
  - f. investments requiring an amount equal to at least € 10,000,000 on a cash and debt free basis;
  - g. proposal to amend the Articles of Association;
  - h. proposal to dissolve the Company;
  - i. petition for bankruptcy of the Company or a request for suspension of payments (*surseance van betaling*);
  - j. termination of the employment of a considerable number of employees of the Company or of a dependent company simultaneously or within a short period of time (a considerable number means at least 200 FTEs);
  - k. radical change in the employment conditions of a considerable number of the employees of the Company or of a dependent company;
  - l. proposal to reduce the Company's issued capital.

2. Resolutions of the Management Board concerning the following matters require the review and approval of the Supervisory Board:
- a. appointment and dismissal of the head of the internal audit department;
  - b. the audit plan prepared by the internal audit department;
  - c. the adoption of the Company's business plan (including budget), and any material amendment thereto (material means representing a value in excess of € 1,000,000);
  - d. lending and borrowing money, including project finance, exceeding € 100,000,000, with the exception of (i) acquiring money under a credit already granted to the Company or any of its Subsidiaries by a bank and (ii) intra-group lending and borrowing within the Group;
  - e. entering into agreements, by which the Company or any of its Subsidiaries binds itself as guarantor or otherwise guarantees or agrees to bind itself as security for a debt of a third party exceeding € 100,000,000;
  - f. acquisition of new projects, not covered under (g) below, whereby the commercial value exceeds € 200,000,000 for the Company or any of its Subsidiaries;
  - g. project development and real estate transactions exceeding € 50,000,000 for the account and risk of the Company or any of its Subsidiaries.



# ANNEX II Related Party Transactions Policy

## DEFINITIONS AND INTERPRETATION

In this policy, save where explicitly provided otherwise, capitalised words and expressions have the following meanings:

<b>Company</b>	means Koninklijke VolkerWessels N.V.;
<b>Dutch Corporate Governance Code</b>	means the Dutch corporate governance code dated 8 December 2016, as amended from time to time;
<b>Independent Supervisory Board Member</b>	means a member of the Supervisory Board who is considered to be independent in accordance with best practice provision 2.1.8 of the Dutch Corporate Governance Code;
<b>Interested Party</b>	means the Related Party and: <ul style="list-style-type: none"> <li>h. in case the counterparty is a legal entity, any officer, employee, executive director or supervisory director of such counterparty; or</li> <li>i. in case the counterparty is a natural person, any relative of such counterparty,</li> </ul> that is also a member of the Supervisory Board or Management Board;
<b>Key Management Personnel</b>	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Management Board;
<b>KWH Transaction</b>	means the transfer of the shares held by Romij B.V. in the capital of Kondor Wessels Holding GmbH to VWS International B.V., a subsidiary of the Company, in 2016;
<b>Management Board</b>	means the management board ( <i>raad van bestuur</i> ) of the Company;
<b>Management Board Rules</b>	means the rules for the Management Board, as amended from time to time;
<b>RB Related Party</b>	means: <ul style="list-style-type: none"> <li>j. Reggeborgh Holding B.V. and any of its group companies within the meaning of section 2:24b of the Dutch Civil Code, other than the Company and</li> </ul>

- its subsidiaries (the "**RB Group**");
- k. any investment vehicle or other entity which is either (i) managed by an entity in the RB Group, including Reggeborgh Bestuur B.V., or (ii) used to allow RB Group's current and/or former employees to participate directly or indirectly in the growth in value of the Company (together the "**RB Entities**"); and
  - l. any company, fund, partnership, investment vehicle or other entity in or through which one or more members of the RB Group or RB Entities separately or together can exercise significant influence;

<b>Related Party</b>	means the counterparty to the Company in the Related Party Transaction;
<b>Related Party Transaction</b>	has the meaning given to it in clause 1.1;
<b>Shares</b>	means the issued shares ( <i>geplaatst kapitaal</i> ) in the share capital of the Company issued by the Company from time to time;
<b>Subsidiary</b>	means a subsidiary within the meaning of section 2:24a of the Dutch Civil Code;
<b>Supervisory Board</b>	means the supervisory board ( <i>raad van commissarissen</i> ) of the Company;
<b>Supervisory Board Rules</b>	means the rules for the Supervisory Board, as amended from time to time;
<b>Transaction</b>	means any kind of transaction, arrangement, legal proceeding or other kind of legal relationship, all in the broadest sense and whether or not a price is charged.

## 1. Scope and Definitions

- 1.1. This policy implements best practices regarding Transactions between the Company and:
  - a. an RB Related Party (as long as Reggeborgh Holding B.V. (including any Permitted Transferee as defined in the relationship agreement between the Company and Reggeborg Holding B.V.) holds at least 10% of the Shares);

- b. legal or natural persons who hold at least 10% of the Shares in the Company and that are of material significance to the Company and/or to such persons; and
  - c. persons who are a member of the Key Management Personnel, each a "**Related Party Transaction**".
- 1.2. This policy applies to each Related Party Transaction as well as any material amendment to an existing Related Party Transaction. This policy is complementary to the provisions of the Dutch Corporate Governance Code, applicable law and regulations, the articles of association of the Company, the Management Board Rules and the Supervisory Board Rules.
- 1.3. For the purposes of this policy a Transaction entered into by a Subsidiary of the Company shall be considered a Transaction entered into by the Company and a transaction entered into by a Subsidiary of a Related Party shall be considered a Transaction entered into by that Related Party.
- 1.4. The definitions as included in the introduction of this policy shall apply throughout this policy.

## 2. Procedure

### Approval of Related Party Transactions

- 2.1. No Related Party Transaction shall be undertaken without the approval of the Supervisory Board, which approval includes the affirmative vote of at least one Independent Supervisory Board Member.

### Notification of Related Party Transactions

- 2.2. Each member of the Management Board shall promptly notify the chairman of the Management Board of any (potential) Related Party Transaction in respect of which he is an Interested Party or that he is otherwise aware of. The chairman of the Management Board shall in turn notify the chairman of the Supervisory Board. The chairman of the Management Board shall notify the chairman of the Supervisory Board directly in respect of any (potential) Related Party Transaction in respect of which he is an Interested Party or that he is otherwise aware of.
- 2.3. Each member of the Supervisory Board shall promptly notify the chairman of the Supervisory Board of any (potential) Related Party Transaction in respect of which he is an Interested Party or that he is otherwise aware of. If the chairman of the Supervisory Board is an Interested Party to any (potential) Related Party Transaction or becomes otherwise aware of any (potential) Related Party Transaction, he shall promptly notify the vice-chairman of the Supervisory Board.

- 2.4. The Supervisory Board shall decide whether the Transaction concerned qualifies as a Related Party Transaction.

#### Review of Related Party Transactions

- 2.5. (Potential) Related Party Transactions shall be subject to review by the Supervisory Board.
- 2.6. Members of the Supervisory Board who qualify as Interested Party shall not participate in the discussion or decision making regarding the (potential) Related Party Transaction concerned.
- 2.7. The Supervisory Board shall review all relevant information available to it concerning the (potential) Related Party Transaction. The Supervisory Board may approve the Related Party Transaction only if it determines in good faith that the Related Party Transaction is fair as to the Company.
- 2.8. A Related Party Transaction that involves the delivery of goods or services shall only be approved if such Transaction is on terms that are customary for arm's-length Transactions.
- 2.9. Before approving the Related Party Transaction, the Supervisory Board shall review and consider:
- a. the value of the Related Party Transaction;
  - b. whether the Related Party Transaction is undertaken in the ordinary course of business of the Company;
  - c. whether the proposed terms of the Related Party Transaction are no less favourable to the Company than terms that could have been reached with an unrelated third party;
  - d. the purpose of, and the potential benefits to the Company of the Related Party Transaction;
  - e. the Interested Party's interest in the Related Party Transaction, if any;
  - f. the value (positive or negative) of the Interested Party's interest in the Related Party Transaction, if any;
  - g. required public disclosure, if any; and
  - h. any other information regarding the Related Party Transaction or the Interested Party in the context of the proposed Related Party Transaction that would be material to stakeholders of the Company in light of the circumstances of the Related Party Transaction.
- 2.10. In conducting its review the Supervisory Board may obtain information from members of the Management Board, employees and external advisors of the Company.
- 2.11. If a Transaction has a recurring nature or the Company enters into Transactions with a certain Related Party on a regular basis, the Supervisory

Board may establish further guidelines or procedures to follow in its review of such Transactions.

- 2.12. If a Related Party Transaction has not been approved under this policy prior to its consummation (nor been rejected at an earlier stage), the Supervisory Board shall consider all relevant facts and circumstances regarding the Related Party transaction in accordance with clauses 2.7 through 2.10 and shall on the basis thereof evaluate all options available to the Company, including ratification (*bekrachtiging*), revision (*wijziging*) or termination (*ontbinding*) of the Related Party Transaction. The Supervisory Board shall also examine the facts and circumstances pertaining to the failure of reporting of such Related Party Transaction under this policy and shall take any such action it deems appropriate.
- 2.13. The absence of the approval under this policy shall not affect the representative authority of the Management Board or its members.

### 3. Pre-approved Related Party Transactions

- 3.1. The following Transactions shall be deemed to have been approved by the Supervisory Board if they qualify as a Related Party Transaction:
- a. any Transaction that forms part of the set of Transactions entered into in connection with the KWH Transaction or that constitutes a claim under the KWH Transaction agreements;
  - b. any Transaction with an RB Related Party of which the aggregate amount involved will not exceed € 5,000,000 in any 12-month period;
  - c. any Transaction where the Interested Party's interest arises solely from the ownership of the Shares and all holders of Shares receive the same benefit on a pro rata basis (e.g. dividends);
  - d. any Transaction entered into by certain members of the Management Board in the years 2014 up and until 2016 as set out in the memo dated 3 February 2017 (including apartments or houses purchased, solar panels purchased and installed and a working space and houses (re)build), which Transactions were all approved by the Supervisory Board and on arm's length terms; and
  - e. any other Transaction designated as such by the Supervisory Board.
- 3.2. The Management Board shall notify the chairman of the Supervisory Board of the consummation of pre-approved Related Party Transactions on a monthly basis. This notification shall include a description of the pre-approved Related Party Transactions, the value thereof and all other information that may be relevant.

#### 4. Disclosure

Related Party Transactions shall be disclosed to the extent required under Dutch law, the Dutch Corporate Governance Code, applicable accounting standards or other applicable Dutch regulations. For the avoidance of doubt, the review or approval of a Transaction pursuant to this policy does not necessarily imply that such Transaction is required to be disclosed.

## SCHEDULE 4 SUPERVISORY BOARD RULES

### Informal translation

#### DEFINITIONS AND INTERPRETATION

<b>Articles of Association</b>	means the articles of association of the Company, as amended from time to time;
<b>Audit Committee</b>	means the audit committee of the Supervisory Board;
<b>Chairman</b>	means the chairman of the Supervisory Board
<b>Company</b>	means Koninklijke VolkerWessels N.V.;
<b>Company Secretary</b>	means the company secretary appointed in accordance with article 4.3 of the Management Board Rules;
<b>Conflict of Interest (<i>tegenstrijdig belang</i>)</b>	means a direct or indirect personal interest that conflicts with the interests of the Company in the meaning of 2:140 paragraph 5 of the Dutch Civil Code or a conflict of interest as described in article 11 of these Supervisory Board Rules;
<b>DFSA</b>	means the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> );
<b>Dutch Corporate Governance Code</b>	means the Dutch corporate governance code dated 8 December 2016, as amended from time to time;
<b>General Meeting</b>	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;
<b>Group</b>	means the Company and its Subsidiaries;
<b>Independent Supervisory Board Member</b>	means a member of the Supervisory Board who is considered to be independent in accordance with best practice provision 2.1.8 of the Dutch Corporate Governance Code;
<b>Inside Information</b>	means inside information as defined in the Company's insider trading policy;
<b>Issuer</b>	means a legal person or company of which (depository receipts of) shares or equivalent securities are admitted to

trading, or of which admission is requested, on a regulated market, a multilateral trading facility or an organized trading facility (as referred to in article 4 paragraph 1 under 21, 22 and 23 of Directive (2014/65/EU) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments), or any equivalent market outside the European Union;

<b>Management Board</b>	means the management board ( <i>raad van bestuur</i> ) of the Company;
<b>Management Board Rules</b>	means the rules for the Management Board, as amended from time to time;
<b>Profile</b>	means a profile of the scope and composition of the Supervisory Board, as amended from time to time. The current Profile is included in <u>Annex I</u> to these Supervisory Board Rules;
<b>Related Party</b>	means the counterparty to the Company in the Related Party Transaction;
<b>Related Party Transaction</b>	has the meaning given thereto in the Related Party Transactions Policy;
<b>Related Party Transactions Policy</b>	means the policy included in Annex II to the Management Board Rules, as amended from time to time;
<b>Relationship Agreement</b>	means the relationship agreement between Reggeborgh Holding B.V. and the Company dated 28 April 2017;
<b>Remuneration Committee</b>	means the remuneration committee of the Supervisory Board;
<b>Securities (effecten)</b>	has the meaning given thereto in section 1:1 of the DFSA;
<b>Selection and Appointment Committee</b>	means the selection and appointment committee of the Supervisory Board;
<b>Shareholders</b>	means one or more holders of Shares;
<b>Shares</b>	means the issued shares ( <i>geplaatst kapitaal</i> ) in the share capital of the Company;
<b>Subsidiary</b>	means a subsidiary within the meaning of section 2:24a of the Dutch Civil Code;



<b>Supervisory Board</b>	means the supervisory board ( <i>raad van commissarissen</i> ) of the Company;
<b>Supervisory Board Rules</b>	means these rules for the Supervisory Board, as amended from time to time;
<b>Vice-Chairman</b>	means the vice-chairman of the Supervisory Board;
<b>Works Council</b>	means the works council as referred to in section 2:158 paragraph 11 of the Dutch Civil Code.

## 1. Duties and responsibilities of the Supervisory Board

- 1.1. The Supervisory Board supervises the policies, management and the general affairs of the Group. In doing so, the Supervisory Board also focuses on the effectiveness of the Group's internal risk management and control systems and the integrity and quality of the financial reporting. The members of the Supervisory Board assist the Management Board with advice on general policies related to the activities of the Group.
- 1.2. In fulfilling their responsibilities the members of the Supervisory Board act in the interest of the Group and give specific attention to the relevant interests of the Company's employees, shareholders, lenders, customers, suppliers and other stakeholders of the Group.
- 1.3. The Supervisory Board must act in a manner that is critical and constructive. Its supervisory function requires a certain restraint in respect of the actual policies and management and the general affairs of the Group, in order to facilitate an impartial supervision and, if necessary, intervention. In carrying out its supervisory function, the Supervisory Board must, in principle, not get involved with the day-to-day implementation of the Company's policies.

### Responsibilities

- 1.4. The responsibilities of the Supervisory Board include supervising and advising the Management Board with respect to:
  - a. the Group's performance;
  - b. the manner in which the Management Board implements the long-term value creation strategy and the risks associated with it;
  - c. the risks associated with the Group's activities, the risk appetite, and the measures that are put in place in order to counter the risks being taken;
  - d. the effectiveness of the design and operation of the internal risk management and control systems, including major failings, significant changes and major improvements planned to these systems;

- e. the effectiveness of the internal and external audit processes;
- f. the financial reporting process and the external auditor's functioning;
- g. compliance with applicable laws and regulations; and
- h. the Company-Shareholders relations.

- 1.5. In addition, the responsibilities and tasks of the Supervisory Board include:
- a. discussing the strategy, the implementation of the strategy and the principal risks associated with it;
  - b. supervising the establishment and implementation by the Management Board of internal procedures which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely manner;
  - c. approving the annual accounts of the Company;
  - d. selecting and nominating individuals for appointment by the General Meeting as member of the Management Board, proposing the remuneration policy for members of the Management Board for adoption by the General Meeting and determining the remuneration and the employment terms for the individual members of the Management Board in conformity with the remuneration policy;
  - e. selecting and nominating individuals for appointment by the General Meeting as member of the Supervisory Board and proposing the remuneration for members of the Supervisory Board for adoption by the General Meeting;
  - f. reviewing, at least once per year and outside the presence of the Management Board, the functioning of members of the Management Board and its individual members and the conclusions that must be attached to the evaluation, also in light of the succession of the members of the Management Board;
  - g. reviewing, at least once per year and outside the presence of the Management Board, the functioning of the Supervisory Board, its committees, and its individual members and the conclusions that are attached to the evaluation (taking into account best practice provision 2.2.6 of the Dutch Corporate Governance Code);
  - h. selecting and nominating for appointment by the General Meeting of the Company's external auditor;
  - i. giving the external auditor a general idea of the Audit Committee's report relating to the functioning of the Supervisory Board;
  - j. resolving on the external auditor's engagement;

- k. communicating the main conclusions regarding the external auditor's nomination and the outcomes of the external auditor selection process to the General Meeting;
- l. examining the most important points of discussion arising between the external auditor and the Management Board based on the draft management letter or the draft audit report;
- m. approving the appointment and dismissal of the head of the internal audit department, following the recommendation of the Audit Committee;
- n. approving the internal audit plan; and
- o. reviewing and approving any resolution of the Management Board concerning the matters referred to in Annex I to the Management Board Rules.

#### Internal audit department

- 1.6. If there is no separate department for the internal audit department, the Supervisory Board assesses annually whether adequate alternative measures have been taken, partly on the basis of a recommendation issued by the Audit Committee, and will consider whether it is necessary to establish an internal audit department. The Supervisory Board includes the conclusion, along with any resulting recommendations and alternative measures, in the report of the Supervisory Board.

#### Supervisory Board report

- 1.7. The Supervisory Board must prepare and publish a report that will be included in the Company's annual statements for that year. In this report, the Supervisory Board renders account of the supervision conducted in the past financial year. The report will in any event cover the reporting on the items specifically listed in best practice provision 2.3.11 of the Dutch Corporate Governance Code.

#### Information safeguards

- 1.8. The Management Board must provide the Supervisory Board and its committees in due time with any information the members of the Supervisory Board and the committees may need for the performance of their duties or as reasonably requested and must regularly report to the Supervisory Board on the course of business of the Group.
- 1.9. Without prejudice to articles 1.8 and 4.3 of these Supervisory Board Rules, each member of the Supervisory Board has an own responsibility for obtaining all (additional) information from the members of the Management Board, the internal audit department, the external auditor and the employee participation body necessary for the due performance of its supervisory duties. If the

members of the Supervisory Board, or the committees after having informed the Chairman and the chairman of the Management Board, determine it necessary or advisable, the members of the Supervisory Board may also obtain information from officers, employees and (external) advisors of the Group and can engage its own internal and external experts and advisors (subject to appropriate confidentiality requirements imposed on such experts and advisors). The Company will make the necessary resources available to do so. The members of the Supervisory Board may inspect all corporate records and interview all officers and employees of the Group as they consider necessary to fulfil their duties. If members of the Management Board have been invited to the Supervisory Board meetings, the members shall attend and provide at those meetings all information required by the Supervisory Board.

### Oversight misconduct and irregularities

- 1.10. The Supervisory Board monitors the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions. In order to safeguard the independence of the investigation in cases where the Management Board itself is involved, the Supervisory Board has the option of initiating its own investigation into any irregularities that have been discovered and to coordinate this investigation.

## 2. Composition and Profile of the Supervisory Board

- 2.1. The Supervisory Board shall consist of at least three individuals. The number of members of the Supervisory Board shall be determined by the Supervisory Board.
- 2.2. The following persons may not be appointed as a member of the Supervisory Board:
  - a. individuals employed by the Company;
  - b. individuals employed by a dependent company; and
  - c. managing directors and individuals employed by an organisation representing employees, which might be involved with the determination of the terms and conditions of employment of the individuals mentioned under sub a and b.
- 2.3. The Supervisory Board shall prepare the Profile, taking into account the nature and activities of the Group. The Profile addresses:

- a. the desired expertise and background of the Supervisory Board members;
- b. the desired diverse composition of the Supervisory Board, referred to article 2.5 of these Supervisory Board Rules;
- c. the size of the Supervisory Board; and
- d. the independence of the Supervisory Board members.

The Supervisory Board's composition follows the Profile and the Profile will be posted on the Company's website.

- 2.4. Each Supervisory Board member has the specific expertise required for the fulfilment of his duties. Each Supervisory Board member is capable of assessing the broad outline of the overall management. At least one Supervisory Board member has competence in financial reporting or auditing of the financial statements.
- 2.5. The Supervisory Board draws up a diversity policy for the composition of the Management Board and the Supervisory Board. The policy addresses the concrete targets relating to diversity and the diversity aspects relevant to the Group, such as nationality, age, gender, education and work background.
- 2.6. The Supervisory Board will exercise its powers to recommend persons for election to the Supervisory Board in such a way that the Supervisory Board and its members can fulfil their supervisory and advisory tasks independently and critically vis-à-vis one another, the Management Board and any particular interests involved. Subject to the Relationship Agreement, in order to safeguard its independence the Supervisory Board takes into account the independence criteria listed in best practice principles 2.1.7 and 2.1.8 of the Dutch Corporate Governance Code. The report of the Supervisory Board will state which Supervisory Board member(s) it does not consider to be independent.
- 2.7. The Supervisory Board will stimulate openness and accountability within the Supervisory Board and between the different bodies (organen) within the Company.
- 2.8. Members of the Supervisory Board may not hold in total more than five supervisory board memberships (including non-executive board memberships) of Dutch listed companies, the chairmanship of a supervisory board counting twice. Supervisory Board members will report any other positions they may have to the Supervisory Board in advance and, at least annually, the other positions will be discussed at a Supervisory Board meeting. Members must ensure that they will remain able to fulfil their tasks as a member of the Supervisory Board or its committees.
- 2.9. The Supervisory Board may appoint one of its members as delegate member. A delegated member is assigned a special task. Its delegated authority may

not extend beyond the responsibilities of the Supervisory Board itself and does not include the management of the Company. The delegation relates to a more intensive supervisory and advisory role of and more regular consultation with the Management Board with regard to the general affairs of the Company by the delegated Supervisory Board member. The delegation may be of a temporary nature only. The delegation may not detract from the duties and powers of the Supervisory Board. The delegated Supervisory Board member continues to be a member of the Supervisory Board and reports regularly on the execution of his special duty to the plenary Supervisory Board.

### 3. Period of appointment and re-election

- 3.1. Supervisory Board members are appointed for a maximum period of four years, provided that, unless a Supervisory Board member resigns earlier, his appointment period shall end immediately after the annual General Meeting that will be held in the fourth calendar year after the date of his appointment. Supervisory Board members may be reappointed once for another four-year period and then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the Supervisory Board. In any appointment or reappointment, the Profile should be observed.
- 3.2. A member of the Supervisory Board must step down in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by the Supervisory Board.
- 3.3. The Supervisory Board ensures that the Company has a formal and transparent procedure in place for the appointment and reappointment of Management Board and Supervisory Board members, as well as a sound plan for the succession of Management Board and Supervisory Board members that is aimed at retaining the balance in the requisite expertise, experience and diversity. The Supervisory Board draws up a retirement schedule in order to avoid, as much as possible, Supervisory Board members retiring simultaneously. The retirement schedule will be published on the Company's website.
- 3.4. Members of the Supervisory Board who temporarily take on the management of the Company in the event the members of the Management Board are absent or unable to fulfil their duties, must resign as a member of the Supervisory Board.
- 3.5. Each member of the Supervisory Board must attend after his/her appointment an introductory programme, in which attention will be paid to:

- a. the general financial, social and legal affairs of the Group;
- b. the financial reporting by the Group;
- c. specific aspects unique to the Group and its business activities;
- d. the Group culture and the relationship with the employee participation body; and
- e. the responsibilities of members of the Supervisory Board.

The Supervisory Board will review each year those aspects which merit further training or education of the members of the Supervisory Board on the basis of an annual review.

#### 4. Chairman, Vice-Chairman and Company Secretary

- 4.1. The Supervisory Board appoints one of the members of the Supervisory Board as Chairman and one of the members as Vice-Chairman. The Chairman shall not be a former member of the Management Board and shall be independent in the meaning of the Dutch Corporate Governance Code.
- 4.2. Meetings of the Supervisory Board are chaired by the Chairman and in his absence by the Vice-Chairman. If both the Chairman and the Vice-Chairman are not present at a meeting, the members present appoint from its midst a chairman.
- 4.3. The Chairman in any case ensures that:
  - a. the Supervisory Board has proper contact with the Management Board, the employee participation body and the General Meeting;
  - b. there is sufficient time for deliberation and decision-making by the Supervisory Board;
  - c. the Supervisory Board members receive all information that is necessary for the proper performance of their duties in a timely fashion;
  - d. the Supervisory Board and its committees function properly;
  - e. the functioning of individual Management Board members and Supervisory Board members is assessed at least annually;
  - f. the Supervisory Board members and Management Board members follow their induction programme;
  - g. the Supervisory Board members and Management Board members follow their education or training programme;
  - h. the Management Board performs activities in respect of culture;
  - i. the Supervisory Board recognises signs from the enterprise affiliated with the Group and ensures that any (suspicion of) material misconduct and irregularities are reported to the Supervisory Board without delay;
  - j. the General Meeting proceeds in an orderly and efficient manner;
  - k. effective communication with Shareholders is assured; and



- I. the Supervisory Board is involved closely, and at an early stage, in any merger or takeover processes.  
The Chairman consults regularly with the chairman of the Management Board.
- 4.4. The Chairman acts on behalf of the Supervisory Board as the main contact for the Management Board, Supervisory Board members and Shareholders regarding the functioning of the Management Board members and Supervisory Board members.
- 4.5. The Vice-Chairman deputises for the Chairman when the occasion arises. The Vice-Chairman acts as contact of individual members of the Supervisory Board or the Management Board concerning the functioning of the Chairman.
- 4.6. The Supervisory Board is supported by the Company Secretary. The Company Secretary sees to it that the proper procedures are followed and that the Supervisory Board acts in accordance with its obligations under the law, regulations and the Articles of Association. The Company Secretary assists the Chairman in the actual organisation of the affairs of the Supervisory Board – in respect of information, agenda, evaluation, training program – and is the contact person for parties who want to make concerns known to the Supervisory Board.
- 4.7. The Chairman and the Company Secretary monitor the information to be submitted by or on behalf of the Management Board to the Supervisory Board and request any other information as they consider appropriate.
- 4.8. If the Company Secretary also undertakes work for the Management Board and notes that the interests of the Management Board and the Supervisory Board diverge, as a result of which it is unclear which interests the Company Secretary should represent, the Company Secretary reports this to the Chairman.

## 5. Committees of the Supervisory Board

- 5.1. The Supervisory Board, though remaining responsible, may assign certain tasks to one or more permanent and/or ad hoc committees formed from among its members. The function of these committees is to prepare the decision-making of the Supervisory Board. These committees have no independent or assigned powers unless and to the extent explicitly assigned by these Supervisory Board Rules or by the Supervisory Board. The committees, on a regular basis, report on their actions, reviews, proposals, and findings to the Supervisory Board.
- 5.2. The members of these committees are appointed by the Supervisory Board, which also appoints the committee's chairman and its secretary, who does not



- need to be a member of the Supervisory Board, and establish the form and frequency of reporting to the members of the Supervisory Board.
- 5.3. If the Supervisory Board consists of more than four members, it appoints from among its members three permanent committees: the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. The rules of each of these committees, drawn up by the Supervisory Board, are laid down in separate documents and posted on the Company's website.
  - 5.4. The Supervisory Board discusses the items reported by the Audit Committee as per best practice provision 1.5.3 of the Dutch Corporate Governance Code and the reports received from each of its committees as per best practice provision 2.3.5 of the Dutch Corporate Governance Code.

## 6. Meetings of the Supervisory Board

- 6.1. The Supervisory Board meets at least four times per year. The schedule for its meetings in the next year will be adopted each year at the latest in the last scheduled meeting of the then current year.
- 6.2. Meetings of the Supervisory Board are called in writing by or on behalf of the Chairman or in his absence by the Vice-Chairman. 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 sufficiently in advance of any meeting.
- 6.3. Meetings of the Supervisory Board and the committees may be held, and members of the Supervisory Board may participate in meetings, by telephone, videoconference or other electronic forms of direct communication.
- 6.4. Unless the Supervisory Board decides otherwise, the meetings of the Supervisory Board must be attended by the chairman of the Management Board and, if practically possible, by the other members of the Management Board and by the Company Secretary. If a Conflict of Interest concerning a member of the Supervisory Board or the Management Board is discussed, the relevant member may not be present during those discussions.
- 6.5. The Supervisory Board and/or its Chairman may request officers or external advisors of the Group or other parties to be present at a meeting of the Supervisory Board. The external auditor will in any event attend the meeting of the Supervisory Board at which the report of the external auditor on the audit of the financial statements is discussed.
- 6.6. If a member of the Supervisory Board is frequently absent during meetings of the Supervisory Board, the Chairman will discuss this with that member. If the Chairman is frequently absent during meetings of the Supervisory Board, the Vice-Chairman will discuss this with the Chairman.

- 6.7. The minutes of the meetings of the Supervisory Board are prepared under the responsibility of the Company Secretary or any other person designated by the Chairman. The minutes must be signed for adoption by the Chairman and the Company Secretary.

## 7. Items to be discussed in the Supervisory Board

- 7.1. At least once a year, the Supervisory Board – on the basis of a written report of the Management Board – will discuss the general strategy of the Group, as well as the main risks associated with its business activities, and the results of the assessment by the Management Board of the structure and operation of the systems of internal business controls and any significant changes in these systems. The Audit Committee advises the Supervisory Board on these issues.
- 7.2. At least once a year the Supervisory Board will discuss – without the members of the Management Board being present – the:
- a. functioning of the Supervisory Board, the various committees of the Supervisory Board, and that of the individual members of the Supervisory Board and the conclusions that are attached to the such evaluation;
  - b. Profile and composition of the Supervisory Board;
  - c. relationship with the Management Board;
  - d. composition and the functioning of the Management Board and its individual members and the conclusions that are attached to such evaluation;
  - e. succession of members of the Management Board; and
  - f. remuneration of members of the Management Board, following advice of the Remuneration Committee.
- 7.3. The Supervisory Board in consultation with the Management Board will resolve on the inclusion in the agenda of the General Meeting of any proposal from one or more Shareholders, made in accordance with article 28.3 of the Articles of Association.

## 8. Resolutions of the Supervisory Board

- 8.1. Resolutions of the Supervisory Board are adopted by majority vote. The following resolutions of the Supervisory Board require the affirmative vote of at least one Independent Supervisory Board Member:
- a. approval of Management Board resolutions listed in Annex I to the Management Board Rules sub 1.a through 1.I;

- b. the adoption of the Profile;
- c. the determination of the size of the Management Board; and
- d. the appointment, dismissal or suspension of members of the Management Board.

Resolutions can only be adopted if at least one third of the members are present or represented. A conflicted member must not be taken into account when calculating a quorum or majority requirement. If no resolution can be adopted by the Supervisory Board as a consequence of a Conflict of Interest of all members of the Supervisory Board, the relevant resolution will be referred to the General Meeting. If all members are present and agree, the members of the Supervisory Board may resolve on issues not on the agenda.

- 8.2. Upon a proposal by or on behalf of the Chairman resolutions of the members of the Supervisory Board can also be adopted in writing if:
  - a. a proposal for that resolution has been sent to all members;
  - b. no member has objected to adopting such resolution in writing; and
  - c. more than half of the members entitled to vote have voted in favour of the proposed resolution.
- 8.3. A declaration signed by two members of the Supervisory Board or the Chairman and the Corporate Secretary that a resolution has been adopted serves as evidence to third parties of that resolution.
- 8.4. Resolutions to enter into transactions in which there is a Conflict of Interest with a member of the Supervisory Board that is of material significance to the Company and/or to the relevant member(s) of the Supervisory Board require the approval of the Supervisory Board.

## 9. Remuneration of the Supervisory Board

- 9.1. The remuneration of the Supervisory Board members reflects the time spent and the responsibilities of their role.
- 9.2. Supervisory board members are not awarded remuneration in the form of Shares and/or rights to Shares.
- 9.3. Shares held by a Supervisory Board member in the Company serve as long-term investments.

## 10. Trading in Securities

- 10.1. The Supervisory Board members must refrain from short-term transactions in Securities of the Company.
- 10.2. With respect to Securities of the Company, the Supervisory Board members are bound to the rules with respect to Inside Information and the Company's

- insider trading policy and must at all times comply with all applicable laws and regulations, including notification requirements, applicable to the ownership of, and transactions related to, Securities of the Company.
- 10.3. With respect to Securities of Issuers, the Supervisory Board members are bound to the Company's insider trading policy, including notification requirements, applicable to the ownership of, and transactions related to, Securities of Issuers.
- 10.4. Each member of the Supervisory Board shall provide such information to the Company as is necessary to enable the Company to comply with applicable laws and regulations (including the rules of any stock exchanges on which the Company may be listed).

## 11. Conflicts of Interests, Related Party Transactions and personal loans

- 11.1. Supervisory Board members are alert to Conflicts of Interest and should in any case refrain from the following:
- a. competing with the Group;
  - b. demanding or accepting substantial gifts from the Group for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
  - c. providing unjustified advantages to third parties at the Group's expense; and
  - d. taking advantage of business opportunities to which the Group is entitled for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.
- 11.2. A Conflict of Interest may exist if the Company intends to enter into a transaction with a legal entity:
- a. in which a member of the Management Board or of the Supervisory Board personally has a material financial interest; or
  - b. which has a member of the management board or the supervisory board who is related under family law to a member of the Management Board or of the Supervisory Board.
- 11.3. A member of the Supervisory Board must not participate in the discussions and decision-making on a subject or transaction in relation to which such member has a Conflict of Interest. Such transaction must be concluded on terms at least customary in the market and must be approved by the Supervisory Board.

- 11.4. Each member of the Supervisory Board (other than the Chairman) must immediately report any (potential) Conflict of Interest to the Chairman. That member of the Supervisory Board with a (potential) Conflict of Interest must provide all relevant information to the Chairman, including information concerning his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.
- 11.5. The Chairman must immediately report any (potential) Conflict of Interest to the Vice-Chairman. The Chairman must provide the Vice-Chairman with all relevant information, including information concerning the spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree of the Chairman.
- 11.6. The Supervisory Board, without the relevant member of the Supervisory Board being present, determines whether a reported (potential) conflict of interest qualifies as a Conflict of Interest which article 11.1 of these Supervisory Board Rules applies to or to which article 11.1 of these Supervisory Board Rules in its opinion should be applied in a similar way.
- 11.7. In the event of a possible Related Party Transaction, the rules of procedure as set out in the Related Party Transactions Policy shall be applied.
- 11.8. Transactions as referred to in this article 11 shall be disclosed to the extent required under Dutch law, the Dutch Corporate Governance Code, applicable accounting standards or other applicable Dutch regulations. For the avoidance of doubt, the review or approval of a Related Party Transaction pursuant to the Related Party Transactions Policy does not necessarily imply that such Related Party Transaction is required to be disclosed.
- 11.9. No personal loans, guarantees or the like are granted to members of the Supervisory Board, unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the Supervisory Board. No remission of loans will be granted.

## 12. Takeover situations

In the event of a takeover bid for the Shares, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in section 2:107a paragraph 1(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, both the Management Board and the Supervisory Board ensure that all the stakeholder interests concerned are carefully weighed and any Conflict of Interest for Supervisory Board members or Management Board members is avoided. The Supervisory Board is guided in its actions by the interests of the Company and its affiliated enterprise.

### 13. Relationships with Shareholders

- 13.1. The Supervisory Board must provide the General Meeting with any information it requires, unless important interests (*zwaarwegende belangen*) of the Company or any law, rules or regulations applicable to the Company prevent it from doing so. The members of the Supervisory Board shall specify the reasons for invoking such important interests.
- 13.2. The Supervisory Board must treat Shareholders who are in similar circumstances the same when providing information. The Supervisory Board must ensure that the Management Board draws up the outline of a policy regarding bilateral contacts with Shareholders and will publish this on the Company's website.

### 14. Status and contents of the Supervisory Board Rules

- 14.1. These Supervisory Board Rules are complementary to the rules and regulations (from time to time) applicable to the members of the Supervisory Board under Dutch law and the Articles of Association. If and to the extent these Supervisory Board Rules are inconsistent with Dutch law or the Articles of Association, these Supervisory Board Rules shall not apply.
- 14.2. These Supervisory Board Rules can be supplemented and modified by the Supervisory Board.
- 14.3. Save as otherwise provided in the Articles of Association or by law, the Supervisory Board may in exceptional cases, as the circumstances may require, at its discretion decide to deviate from these Supervisory Board Rules.
- 14.4. These Supervisory Board rules shall supersede and replace previous rules adopted by the Supervisory Board, including the supervisory board rules of Koninklijke Volker Wessels Stevin N.V.

### 15. Governing law

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

# ANNEX I – PROFILE SUPERVISORY BOARD

## 1. General

- 1.1. The basic principle underlying the drawing-up of the Profile is that account should be taken of the nature, activities, scope and complexity of the undertaking and the desired competences, experience and independence of the Supervisory Board members. This Profile also deals with aspects of diversity, including gender and age, relevant to the undertaking in the composition of the Supervisory Board.
- 1.2. The Supervisory Board shall be composed such that it is capable of complying with its obligations to the Group, taking account of the efforts to achieve complementarily, collegial decision-making and an optimal blend of experience, expertise, diversity and independence of its members, as well as familiarity with the socioeconomic and political culture and the social environment of the main markets in which the Group operates, in keeping with the competence criteria included in this Profile.
- 1.3. The Supervisory Board shall be composed such that the requisite expertise, background, competencies and independence are present from them to carry out their duties properly. The size of the Supervisory Board reflects these requirements.
- 1.4. The Supervisory Board shall be composed such that sufficient expertise is available to identify opportunities and risks that may be associated with the business, innovations in business models and technologies in a timely manner.
- 1.5. Each Supervisory Board member shall have the specific expertise required for the fulfilment of his or her duties. Each Supervisory Board member should be capable of assessing the broad outline of the overall management.
- 1.6. Each Supervisory Board member shall have sufficient time available for the proper performance of his or her duties. The composition of the Supervisory Board shall be such that it is able to carry out its duties properly.
- 1.7. The powers of the Supervisory Board pursuant to the Articles of Association and applicable laws and regulations are vested in the Supervisory Board as a body and are exercised under collective responsibility.
- 1.8. Terms capitalised in this Profile have the meaning given to them in the Rules for the Supervisory Board.



## 2. Composition

- 2.1. The effectiveness of the Supervisory Board is determined by its composition, with the size, expertise, diversity and independence of the Supervisory Board being decisive factors. When appointing or reappointing Supervisory Board members, a critical assessment will be made as to whether the relevant Supervisory Board member maintains an appropriate distance in undertaking their supervisory activities, and whether the required knowledge and expertise are represented within the Supervisory Board.
- 2.2. At least one Supervisory Board member has competence in financial reporting or auditing of the financial statements and the Supervisory Board should have substantial experience, knowledge and/or understanding of projects, the construction business and entrepreneurship.
- 2.3. The Supervisory Board shall have at least three members. A Supervisory Board member is appointed for a period of four years and may then be reappointed once for another four-year period. The Supervisory Board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the Supervisory Board. In any appointment or reappointment, this Profile should be observed.
- 2.4. The persons as referred to in article 2.2 of the Rules for the Supervisory Board may not be appointed as a Supervisory Board member.
- 2.5. Any Supervisory Board member shall be prepared to participate in a Supervisory Board committee (e.g. the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee).
- 2.6. In so far as its actual composition differs from this Profile, the Supervisory Board will account for this in the report of the Supervisory Board and will also indicate within what period it expects to be able to comply with the Profile.

## 3. Diversity

In the selection of Supervisory Board members, the Company is striving for a balance in nationality, age, gender, work background and education with due regard to the Group's diversity policy and/or the statutory target for the male/female ratio. In addition, there will be a balance in the experience and affinity with the nature and culture of the business of the Group.



## 4. Independence

- 4.1. The composition of the Supervisory Board shall be such that the members are able to operate independently and critically vis-à-vis one another, the Management Board and any particular interests involved.
- 4.2. In order to safeguard its independence the Supervisory Board takes into account the independence criteria listed in best practice principles 2.1.7 and 2.1.8 of the Dutch Corporate Governance Code, subject to the provisions of the Relationship Agreement.
- 4.3. The chairman of the Supervisory Board shall not be a former member of the Management Board and shall be independent within the meaning of best practice provision 2.1.8 of the Dutch Corporate Governance Code.
- 4.4. The report of the Supervisory Board shall state whether or not, in the opinion of the Supervisory Board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive of the Dutch Corporate Governance Code have been fulfilled and shall also state which Supervisory Board Members it does not consider to be independent.

## 5. Competence

- 5.1. In view of the wide variety of subjects with which the Group must deal in conducting its business, the Supervisory Board should have collective knowledge and/or experience and/or understanding of the following matters:
  - a. management of (international) enterprises;
  - b. entrepreneurship;
  - c. broad (international) network;
  - d. central and local governments and political processes;
  - e. international economic, regulatory and public policy issues;
  - f. labour and social relations within companies;
  - g. integral (international) projects and related risks;
  - h. audit, finance and control;
  - i. risk management;
  - j. mergers and acquisitions;
  - k. legal and fiscal affairs and corporate governance;
  - l. corporate integrity;
  - m. innovation;
  - n. information technology;
  - o. sustainability and corporate social responsibility;
  - p. human resources and management development; and
  - q. marketing.

- 5.2. Each Supervisory Board member shall qualify for at least two of the abovementioned matters.
- 5.3. Each Supervisory Board member should have the following qualities, skills and competencies:
  - a. ability to convey the core values of the Group;
  - b. analytical insight;
  - c. constructive and critical attitude;
  - d. good communication skills;
  - e. independent and impartial supervision (at a distance);
  - f. integrity and stewardship;
  - g. decisive; and
  - h. team player and the ability to work together.
- 5.4. At least one Supervisory Board member should also have qualities that are necessary to act as a chairman of the Supervisory Board and the General Meeting.
- 5.5. Each Supervisory Board member should participate in the introductory programme and lifelong learning programme developed by the Group. In addition, each member of the Supervisory Board should continue to develop his or her individual expertise.

## 6. Miscellaneous

- 6.1. This Profile (including the composition, competencies and expertise of the Supervisory Board) shall be evaluated on a yearly basis on the initiative of the Supervisory Board, as referred to in article 7.2. of the Supervisory Board Rules.
- 6.2. The Supervisory Board shall adopt the Profile, taking into account the nature of the undertaking of the Group, its activities and the required expertise and background of the Supervisory Board members. The Supervisory Board shall discuss the Profile at the General Meeting and with the Works Council, first when it is adopted and subsequently at each change.

This Profile shall be published on Koninklijke VolkerWessels N.V.'s website [www.volkerwessels.com](http://www.volkerwessels.com).

**VolkerWessels**

Podium 9, 3826 PA Amersfoort

Tel: +31 88 186 6186

Fax: +31 88 186 6187

Relationship Agreement