

Minutes

Royal VolkerWessels N.V.

Annual General Meeting of Shareholders held on 18 April 2019

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Location: VolkerWessels head office in Amersfoort, the Netherlands
Minute taker: Barbara Snabilié of Het Notuleercentrum

The attendance register shows that 82.68% of the issued voting capital was represented at the meeting, both in person and by proxy, representing a combined total of 66,142,772 shares, with each share entitled to cast one vote.

1. Opening and announcements

The chairman opened the meeting at 2.00 pm and welcomed everyone to the General Meeting of Shareholders of VolkerWessels (hereinafter the Company). Those present included shareholders, the auditor from Deloitte, members of the Central Works Council, the notary and other attendees. The chairman informed the meeting that the minutes would be available from 4 March 2019 and that all legal and statutory requirements for the meeting had been met.

2. Annual report, corporate governance and financial statements

2a. Report of the Management Board for the 2018 financial year

Mr. De Ruiter expanded on the themes of safety, digitalisation, sustainability and integrity. Safety is the collective responsibility of the sector and a great deal is happening in this field. The Dutch Safety Board made construction safety recommendations and VolkerWessels is involved in the respective consultation through its participation in building and infrastructural organisation Bouwend Nederland. In 2018 VolkerWessels made important strides in safety such as appointing a new safety manager and developing a monthly dashboard. All incidents are reported digitally and processed automatically in a monthly report so that immediate action can be taken. The heavy equipment features legally required 360-degree cameras and the safety score improved further in 2018. The aim is to further reduce the number of accidents in 2019.

Mr. De Ruiter said that digitisation is a means and not a purpose by itself. People are at the heart of the Company and they will only embrace new technology once they see its added value. Important questions in this respect include: how can we turn data into information, can artificial intelligence help us in tendering procedures, and will new business models be developed and how will we respond to them? VolkerWessels aims to be a sustainable, value-creating construction company that adopts new technology in the right areas. Technology is incorporated in the business processes through a digitisation platform for the purpose of realising better solutions.

In 2018 VolkerWessels once again focused heavily on integrity and honest business operations. Our compliance officers received 55 reports of incidents regarding integrity, 11 of which resulted in the Company parting ways with the employees involved. This is in line with previous years. No incidents

were reported via the anonymous hotline. At the end of 2018 VolkerWessels launched an e-learning for all employees and all statutory board members underwent compliance training.

Sustainability and sustainable development were once again high on the agenda in 2018. VolkerWessels has formulated six focus areas for executing its goal of becoming an integrally more sustainable company. This is an important area of attention in the separately published sustainability report. Basic matters such as waste separation, the CO₂ emissions of the car fleet and our score on the Social Enterprise Performance Ladder receive a great deal of attention. Other, more complex areas of attention that could have a considerable impact include promoting circular design strategies, making material services more sustainable and cutting CO₂ emissions in the production of concrete and asphalt.

Mr. De Ruiter then expanded on the six segments within the VolkerWessels group. The **Construction & Real Estate Development (C&RED)** segment performed well in 2018. EBITDA came in at € 100 million, a rise of 7.5% compared to 2017. The EBITDA margin also improved, rising to 4.8% of € 2.1 billion in revenue. That makes C&RED the largest and in absolute terms most profitable segment. C&RED delivered nearly 5,500 new homes in 2018, both own developments and homes commissioned by third parties. Based on a total of around 65,000 new-build homes, that puts the Company's market share at 8.5%. In 2018 the results of C&RED were impacted by a one-off provision of € 10 million relating to a claim in an arbitration case that was lost. VolkerWessels has launched an appeal. The order book at C&RED rose by more than 23% to a record level of nearly € 3.5 billion.

The development of the **Netherlands Infrastructure** segment was disappointing, mainly due to the extra provision relating to the OpenIJ project. This provision amounted to € 39 million in 2018, putting the total provision at € 107 million. Revenue at Infra declined slightly compared to 2017 due to the delivery of a large number of projects by VolkerRail in 2017. Conversely, the order book at Infra grew by nearly € 1.7 billion. At the end of 2018 VolkerWessels announced its plan to reposition the Infra segment, a process that is now nearly complete. The objective remains to bring the segment back to its trusted margin levels as soon as possible. The Netherlands Infrastructure segment is an active participant in an ongoing round of consultations organised by the Dutch Department of Waterways and Public Works (Rijkswaterstaat) for all parties in the Dutch infrastructure market. VolkerWessels' objectives are to achieve a better spread of the risks between companies and clients, shorter tendering procedures and contracts in which joint responsibility is embedded.

Mr. De Ruiter expanded on the current status of **OpenIJ**. This project aimed at building the world's largest sea lock is steadily progressing and 65% of the project was complete at the end of 2018. That means that € 250 million worth of construction has yet to take place, so the project is still substantial. Delivery is expected at the start of 2022, which means a delay of over two years compared to the originally planned delivery date at the end of this year. Important developments in 2018 included the successful immersion of the outer gate caisson and the completion of the three lock gates. The much larger inner gate caisson is expected to be immersed this summer. Agreement has now also been reached with the OpenIJ financiers and the project has resumed drawing from its own banking facilities. Mr. Van Rooijen will expand on the impact of OpenIJ on the figures for 2018. According to media reports there has been an issue between OpenIJ and the supplier of the lock gates. In line with company policy VolkerWessels is not commenting on the matter as long as the legal action is ongoing.

VolkerWessels had an excellent year in **Energy & Telecoms Infrastructure**. EBITDA rose by 22% to € 39 million, with both units contributing to the result. The order book was slightly lower as a result of an important framework agreement in the telecoms unit that is nearing completion. After adjusting for this, the order book showed an increase. In September 2018 VolkerWessels announced it was acquiring Joulz Energy Services. This relatively small but important acquisition enables VolkerWessels to work on the Dutch high-voltage grid. Visser Smit Hanab has all the necessary licenses in place to play an important role in the provision of electricity in the Netherlands.

Mr. De Ruiter discussed developments in the home markets outside the Netherlands. In the United Kingdom the performance of **VolkerWessels UK** was excellent. Mr. Robertson is responsible for a company that reported solid EBITDA growth, up 18%, and a nice margin increase from 3.3% to 3.5%. The order book rose by 26% so that VolkerWessels can look to the future with confidence. Furthermore, VolkerWessels purchased the activities of PJ Davidson (PJD) in 2018, strengthening its position on the local market. PJD is a producer of the concrete barriers used to create temporary lanes

on motorways. While uncertainty surrounding Brexit continues, at the moment the impact this is having on VolkerWessels remains limited to a drop in the exchange rate of sterling. Despite Brexit uncertainty and turbulent times at UK construction firms such as Carillion, Interserve and Kier, VolkerWessels is doing good business in the United Kingdom.

In **North America** VolkerWessels felt the impact of a relatively short production period which resulted in a drop in the EBITDA to the level reported in 2016. The winter was long, meaning that production did not really get going until April with the first snow returning to Calgary in September. And finally **Germany**, a division that is doing very well. The result was slightly lower than in 2017 but is still at a high level. The margin was 6% and the order book is about twice as high as 2018 revenue. In a nutshell, the performance in Germany was excellent and we have every confidence in the future there.

Mr. Van Rooijen expanded on the financial part of his presentation, i.e. the consolidated results. He summed up the following highlights:

- Since the low point of the construction and real estate crisis in 2012 VolkerWessels has shown a solid development of results.
- In 2018 VolkerWessels achieved EBITDA of € 251 million. This is in line with the expectation expressed in the nine-month trading update.
- It goes without saying that VolkerWessels would have rather reported EBITDA of € 290 million in 2018. However, the reported EBITDA of € 251 million is a solid financial result despite the additional provision of € 39 million for OpenIJ.
- The net result totalled € 137 million in 2018, a drop of € 3 million compared to 2017.
- The liquidity position improved by € 69 million in 2018 despite significant funding for the OpenIJ project in 2018.
- The order book stood at nearly € 9 billion at the end of 2018, a historically high level reflecting the favourable market developments in 2018.
- With a return on capital employed of 20% (comfortably above our internal objectives) and a solvency ratio of over 30%, VolkerWessels has a sound financial position.
- Revenue increased to nearly € 6 billion, in line with the favourable market conditions.

On balance the liquidity position of VolkerWessels improved by € 69 million in 2018. Mr. Van Rooijen explained that on balance this improvement was the result of the positive net result of €137 million, dividend of € 84 million, acquisitions worth € 29 million and a € 35 million improvement in working capital. VolkerWessels aims to lower its strategic working capital, which is invested in the real estate development activities. In 2018 strategic working capital was reduced by nearly € 100 million. The objective is to keep the remaining, traditional working capital stable as a percentage of revenue. After adjusting it for the impact of OpenIJ and the work-in-progress position, traditional working capital remained stable.

Mr. Van Rooijen told the meeting that VolkerWessels had achieved a free cash flow of € 155 million in 2018. VolkerWessels believes that in a number of years a company in the sector should on average generate a free cash flow similar to the amount of its net result. In 2018 VolkerWessels realised considerably more despite € 98 million of financing for the OpenIJ project.

In 2018 the Company invested € 87 million, which on balance equates to € 60 million after divestments. The company actively divests assets that contribute nothing or insufficiently so that more room is created to invest in new assets and profitable growth. The objective is to continue to invest substantially in 2019, not in the least because VolkerWessels successfully renewed and expanded maintenance contracts in Canada. These contracts require an investment of more than C\$ 45 million (around € 30 million) in 2019. In the past few years VolkerWessels has sharply reduced its debt position. The results have been translated into an above-average cash flow.

Mr. Van Rooijen said that VolkerWessels has a strong balance sheet with a healthy solvency ratio of 33%. It is not an explicit objective to further increase the solvency ratio, but having a good solvency ratio is important for acquiring work in the private sector. The return on capital employed was 20%, comfortably above VolkerWessels' target of at least 18%.

He added that VolkerWessels, similar to other companies in the sector, is affected by seasonal patterns. This is illustrated for example by the winter weather conditions which have implications for the underground infrastructure activities and the activities in North America, the construction industry

holiday in the summertime and the natural trend of clients wanting to complete projects by the end of the year. The seasonal revenue pattern of VolkerWessels as a capacity company also has implications for the operating results and is difficult to assess on a quarterly basis. In addition, the timing of individual sales transactions in the project development activities and the settlement of large additional work can have a significant impact on the Company's quarterly results. The first quarter in particular, with EBITDA of around zero, is not a good gauge for the annual result.

Mr. Van Rooijen said the order book was at a historic high, rising in virtually every segment. The largest increases were in the C&RED segment (€ 662 million) and in the United Kingdom (€ 315 million). There was a drop at Energy & Telecoms Infrastructure as a result of the execution of work under the five-year contract with KPN. Looking at underlying developments, the order book also grew in this segment. The order book at the end of 2018 showed that VolkerWessels had around 80% of the forecast revenue for 2019 in the portfolio. This is up 10 percentage points compared to the same period a year ago.

Expanding on the Company's outlook for the current year, Mr. Van Rooijen said that the 2019 results are expected to be better than the year before. More specifically, this means that EBITDA is expected to exceed the level of € 251 million reported for 2018.

2b. Report of the Supervisory Board for the 2018 financial year

For the discussion of this section the chairman referred to the detailed report as included on pages 12 to 16 of the annual report.

2c. Corporate Governance

The chairman informed the meeting that all corporate documents, including the Articles of Association and the regulations of the Management Board, the Supervisory Board and its committees, are published on VolkerWessels' updated corporate website. In 2018 the Company deviated from the Dutch Corporate Governance Code on one aspect relating to the terms of office of the members of the Management Board. On his appointment in 2017 Mr. De Ruiter accepted a four-year term of office ending on the day after the Annual General Meeting in 2021. The other members of the Management Board already had prior agreements for an indefinite period with the Company, with this provision being extended in their current agreements. In light of the IPO it was not considered opportune to alter this. Future members of the Management Board will be appointed for a maximum term of four years. So too Mr. Robertson who was appointed on 3 May 2018 for a period of four years. There were no other deviations from the Corporate Governance Code nor any substantial changes to the Company's governance structure in 2018. For a full overview of the Company's corporate governance practices the chairman referred to the corporate governance section on pages 78 to 82 of the annual report.

2d. Application of the remuneration policy in the 2018 financial year

Mr. Kuipers, as chairman of the Remuneration Committee, gave an account of the application of the remuneration policy during the 2018 financial year. The remuneration policy for the Management Board consists of four components: an annual base pay of € 560,000 per annum, an allowance for pension expenses, a short-term incentive and a long-term incentive. In addition, there is a severance payment provision equalling up to one year's base pay.

For a full overview of the application of the remuneration policy in 2018, Mr. Kuipers referred to the remuneration report in the annual report in which each element of the remuneration policy is explained separately. The remuneration of the Management Board falls under the remuneration policy set on 12 May 2017.

The management participation plan (the long-term incentive) is a profit-sharing scheme in which a group of over 150 managers participate, including the members of the Management Board. The remuneration depends on the results of VolkerWessels as a whole and is paid in instalments over a period of three years. The amount for the entire Management Board for the 2018 financial year was set at € 2.8 million, to be distributed over three years from 2019 up to and including 2021, equivalent to € 525,000 per capita. For Mr. Robertson this equates on a pro rata basis to € 397,000 including the

distribution for his role as CEO of VolkerWessels UK due to his appointment to the Management Board as from 3 May 2018.

With respect to the departure of Henri van der Kamp from the Management Board as from 31 August 2018 the Company agreed with him to terminate his contract as from 1 March 2019 and that he would receive a severance payment of one year's salary. Mr. Van der Kamp has returned 30,000 shares to Reggeborgh. His long-term incentive for 2018 was lower, at € 315,000, due to the results at Infra and he did not receive a short-term incentive over 2018.

The remuneration report also states the pay ratio, i.e. the relationship between the remuneration of the Management Board members and that of the other employees at VolkerWessels. The method used by VolkerWessels to calculate this ratio is the average remuneration of the members of the Management Board divided by the average salary of all other employees. The outcome was a factor 22.64 in 2018 compared to 23.36 in 2017.

With regard to the share-based remuneration, at the time of the IPO in 2017 Reggeborgh awarded shares to the Management Board through the Share Incentive Plan. In addition, in November 2018 Mr. Vos was awarded 20,000 extra shares and in June 2018 35,000 shares were awarded to Mr. Robertson. In both cases the same lock-up period applies until the day after the 2020 AGM. Furthermore, Reggeborgh awarded each member of the Management Board 4,000 shares as a reward for their performance in 2018. In 2018 Mr. De Ruiters purchased 10,000 shares and Mr. Van Rooijen 5,000 shares, both in an individual capacity. A further explanation is provided on page 175 of the annual report.

The remuneration of the Supervisory Board is still set at € 70,000 per annum per member and € 90,000 per annum for the chairman. This is set out in separate agreements with the Supervisory Board members. None of the members of the Supervisory Board has received shares in VolkerWessels. However, Messrs. Hepkema, Hommen and Verhoeven purchased 5,000, 13,000 and 5,441 shares, respectively, in an individual capacity.

The chairman invited those present to ask questions.

Mr. Den Ouden (Dutch Investors' Association VEB) asked if VolkerWessels has an idea of what the implementation of the CO₂ charge will mean for the Company. Do existing contracts provide the opportunity to pass on the charge or will it be borne by the Company? And does it mean that the charge, once implemented, will weigh on the Company and therefore also on its shareholders? Mr. De Ruiters replied that a partial CO₂ charge is already being paid within the property business, so it is not new to the organisation. He said it is important how the parties involved deal with it. Generally speaking it is difficult to say how it is contractually agreed who covers the charge as it depends on the type of contract chosen. The largest impact is expected to be felt in the asphalt business as it is a short-cycle business with a great deal of flexibility to adjust the contracts.

Mr. Den Ouden also had a question about the Infrastructure business: there is talk of a repositioning; could you tell us what measures are being taken? You want to return to a historic profit level, so what level is that? Mr. Vos replied that the tender lists had been gone through in detail and that this revealed that there is a tight-knit structure in the markets. This tight-knit structure enables VolkerWessels to adjust the availability of projects, to focus on regional projects and to be more selective when it comes to complex and risky projects.

Mr. Den Ouden wished to bring up composition of the Management Board and the tasks. Mr. Vos has been given additional tasks. Are the Management Board and the Supervisory Board aware that Mr. Vos may be being overextended? Mr. Vos replied that he feels excellent and is not doing everything on his own, pointing to the qualities of the board members, the Management Board and the Supervisory Board and the good division of tasks and responsibilities. The chairman added that Mr. Vos knows how to attract good staff and is able to delegate. VolkerWessels is not planning to let the current situation last too long and will transfer some of the tasks to someone else.

Ms. Staal (Dutch Association of Investors for Sustainable Development, VBDO) said she regrets having to address the Management Board and the Supervisory Board with 'Good afternoon gentlemen' and not 'Good afternoon ladies and gentlemen'. She represents investors who want to have an insight into the sustainability of projects undertaken by publicly traded companies.

VolkerWessels recently spoke with the VBDO. She said that the Company's sustainability report said the theme of climate-adaptive construction is one that VolkerWessels is focused on. Is VolkerWessels willing to look into the returns and added value this will create? And does it take into account how the social environment will benefit from it?

Mr. De Ruiter said that climate-adaptive construction and circularity are strongly linked. He referred to iconic projects that were completed in 2018 and the plastic roads in Zwolle and Giethoorn made from recycled plastic. He added that a circular overpass was developed with the Dutch department of Public Works and Water Management (Rijkswaterstaat) and said that circular water treatment is being worked on.

Ms. Staal mentioned that VolkerWessels is really working hard on the theme of circularity. She complimented the Company on the impressive Alliander building in Duiven. Is VolkerWessels prepared to link a target to its focus on circularity and climate-adaptive construction and the returns these generate, and to monitor these in relation to the order book and to present the findings in 2020? Is the market granting VolkerWessels more assignments? Mr. De Ruiter said that it may be possible to measure the costs and returns, and that VolkerWessels fully supports the concept as it is one of the six focus areas which he discussed with the VBDO on 15 April this year. He added that VolkerWessels is speaking with the Dutch Social Advisory Council about measuring circularity. The objective is to make it measurable using a tool that provides an insight into how the investment compares to the returns. He said he hopes to be able to say more about this at the 2020 AGM. Designs can be tested based on the principles of circular construction and are discussed with the client.

Ms. Staal raised the issue of the living wage. During the meeting it has become clear that in any case one group receives a living wage. Does VolkerWessels also have an insight into the existence of a decent wage for the rest of its employees, including self-employed people (ZZP'ers), employees in other countries, suppliers? Mr. De Ruiter said that VolkerWessels is actively looking at this, and that there is no reason to think that the Company's own employees do not receive a living wage. 83% of the employees in the Netherlands fall under the collective labour agreement and many self-employed people are hired through Brainnet, whose operations are based on the collective labour agreement for the construction sector. A living wage extends to more people than the Company's own employees; there is also a certain responsibility for what happens in the chain. In a letter the VBDO requested guarantees but these are difficult to give. Mr. De Ruijter said that the Company is working hard on this. VolkerWessels is not engaged in modern slavery, as 18 months ago a study was performed into paying all taxes, also by sub-contractors who are responsible for the temporary hiring of employees. The policy is included in the terms and conditions of procurement and in the VolkerWessels Code of Conduct.

Mr. Dekker referred to his positive experiences with the legal predecessors of VolkerWessels. What is KVV's strategic perspective on the PPP policy, have there been any changes in this area for the company and the market in terms of client requirements? Mr. Vos said that the mix of risk and returns on complex DBFMO projects, i.e. large integrated projects with a financing component, is unacceptable to VolkerWessels, which is why VolkerWessels is more selective on complex large projects and prefers to focus on regional projects. This is reflected in the structure of the organisation. Mr. De Ruiter added that while VolkerWessels does not seek to avoid integrated projects the combination of integrated projects and the DBFM contract form is not desirable.

Mr. Dekker pointed out that it was explained during the introduction that project development is an interesting portfolio with expectations being that around 80% of projects could actually be brought into development within five years. In practice many projects experience long delays. Has the company managed to develop 80% of the land portfolio since 2017? Can a distinction be made between land for residential construction and land for real estate development? Mr. Boers outlined that VolkerWessels is being affected by tightness in the labour market, he expects that the target of 80% of projects will be achieved. Probably over 80% of land positions relate to residential construction; land purchases on the commercial market often take place shortly prior to the development period.

Mr. Dekker complimented KVV on the page in the annual report on the lock project in IJmuiden. He asked whether, in light of rising costs at subcontractors, KVV thinks that the remaining 35% of the project execution can be predicted now that the lock doors are in? Or will it be necessary to take a third provision and, if so, will the Dutch department of public works be willing to do something in return?

Mr. Vos emphasised that 35% of the project still has to be executed. Most of the work has already been purchased and is reasonably locked in. The risks are regular ones and part of the execution process, VolkerWessels currently has no concerns in this area.

Mr. Den Ouden asked about the investment picture for digitisation and innovation. Mr. Van Rooijen replied that a lot of innovation is taking place on projects. Digitisation costs a lot of money but also produces returns, sometimes almost immediately. The sums involved are not huge at present.

Mr. Den Ouden asked whether the internal auditing service has now reached full strength after its establishment in 2017? He asked how independent the department is, whether it makes its own choices in terms of projects or is given instructions, whether the service has already produced reports and if so how substantial these are?

Mr. Van Rooijen replied that the internal auditing service is up and running and almost fully staffed. Project audit requests can be made by the boards in addition to which there is an annual plan. The service has made a good start.

Mr. Den Ouden noted that the balance sheet states an amount of € 185 million for land positions, only the changes versus 2017 are shown and it is not clear how many positions have been brought into development. Where are the land positions sited?

Mr. Boers noted that VolkerWessels has land positions just about anywhere in the Netherlands where there is economic activity. Many sites are in the Randstad conurbation and the provinces of Limburg and Noord-Brabant.

Mr. Dekker asked about the collaboration on the Noordwijk project. Is the project up to speed?

Mr. Boers replied that the project has currently been halted due to a lack of consensus with the municipality regarding the programme.

2e. Presentation and Q&A of the external auditor

Mr. Van Bochove (Deloitte) explained the audit approach in relation to the 2018 financial statements of VolkerWessels. An unqualified auditor's report has been issued, the financial statements provide a true and fair view, the annual report is consistent with the financial statements and contains all the information required by law. The audit looked at the control framework and specifically assessed the valuation of the projects, the valuation of the land positions and the recognition concerning related parties. No material inaccuracies were found in the course of the audit, which was carried out virtually worldwide. The audit coverage rate was high at 97% of revenue. The applied materiality was € 25 million and was based on benchmarks. Communication and consultation with the Management Board and Supervisory Board took place at various times and a management letter and auditor's report have been issued. In conclusion the speaker referred to the auditor's report in the annual report.

The chairman invited those present to ask questions.

Mr. Den Ouden (Dutch Investors' Association VEB) asked about the reason for the rise in the materiality threshold to € 25 million, an increase of 25%. He suggested a lower figure. Mr. Van Bochove answered that the materiality was raised because of the increase in the company's revenue. Based on the benchmark and the small number of errors in the past it had been decided to raise the materiality threshold.

Mr. Den Ouden asked how many large projects had been looked at and what the findings were, for example in relation to the inclusion of additional work items.

Mr. Van Bochove said that hundreds of projects are audited and risk expectations assigned to dozens of these. The materiality applied at the units is below € 25 million.

Mr. Den Ouden asked how many discrepancies had been found in the audit of VolkerWessels. What consequences does this have for the reporting?

Mr. Van Bochove answered that one error had been found.

2f. Adoption of the audited financial statements for 2018

The chairman stated that the audited financial statements for 2018 must be adopted by the General Meeting of Shareholders in accordance with the Articles of Association. He invited those present to

ask questions about the financial statements.

Mr. Den Ouden (Dutch Investors' Association VEB) asked what participating interests VolkerWessels has. Is there a difference between participating interests that carry out large projects and the amounts involved in participating interests in joint ventures and major land positions?

Mr. Van Rooijen said that projects involving partners are mainly carried out by joint ventures. Only very few of these are assigned to participating interests. It is also part of strategic working capital and mainly concerns partnerships with third parties and primarily land positions.

Mr. Den Ouden asked for more information on the explanation about land positions in terms of the amount of land that has been brought into development, purchased and sold.

Mr. Van Rooijen clarified that the total value of the land positions was € 231 million compared to € 270 million in 2017. It is not just about the land but also about the ultimate strategic working capital. Information on land positions is competition sensitive information.

Mr. Den Ouden requested more information on the Hoevelaken project. How does VolkerWessels view what has happened and what impact might this have on the loss provision?

Mr. Vos referred to the website www.rijkswaterstaat.nl/zakelijk for detailed information on the Hoevelaken project. The impact for KVV is non-existent because it had not counted on the work actually materialising. VolkerWessels has been in constructive talks with the Dutch department of public works for some time regarding the innovative contract form and the joint conclusion is that the project is not feasible at the current time. The minister recently sent a letter to the Lower House of Parliament concerning this matter.

Mr. Dekker suggested including more information on the changes in item 22 Landbank (page 154 of the annual report) in order to gain an impression of the movements.

Mr. Van Rooijen responded by saying that it is not mandatory to provide such a list of changes.

The chairman said that the suggestion will be taken into consideration.

The chairman proposed the resolution to adopt the 2018 financial statements. The notary confirmed that 66,142,772 shares were represented at the meeting, equivalent to 82.68% of the issued capital. All resolutions are adopted by an ordinary majority, for which a total of 33,071,387 votes was required at this meeting.

The chairman explained how the voting system and voting devices worked before proceeding with a vote on a test question. The voting worked properly and the meeting proceeded with the actual vote.

The meeting voted unanimously to adopt the 2018 financial statements.

3. Dividend

3a. Explanation of the dividend policy

The chairman explained the dividend policy. The dividend policy of VolkerWessels is aimed at distributing 50% to 70% of the annual reported net result attributable to shareholders. The intention is to pay the dividend in two semi-annual instalments. The first payment for each year is expected to be made in the fourth quarter of that year and the remainder in the second quarter of the following year, subject to the shareholders adopting the financial statements and the dividend proposal.

The chairman invited those present to ask questions.

There were no questions or comments.

3b. Dividend proposal for 2017

The chairman proposed the resolution to apply the dividend policy with regard to 2018. On page 6 of the annual report the Management Board with the approval of the Supervisory Board proposed a profit distribution. The amount of the proposed distribution for 2018 is equal to the dividend distributed for the 2017 financial year.

With due observance of the Articles of Association the Supervisory Board, in consultation with the Management Board, determines what share of the profits will be added to the reserves. The share of the profits remaining after the addition to the reserves is at the disposal of the AGM. In the context of the dividend policy as discussed under agenda item 3a, the following proposal was made for the determination and distribution of dividend on the shares.

It was proposed to the meeting that a final dividend of € 0.77 per share be distributed for the 2018 financial year, to be made payable on 2 May 2019. Together with the interim dividend of € 0.28 distributed on 28 November 2018 this would put the total dividend per share for 2018 at € 1.05, in line with the dividend policy.

The chairman invited those present to ask questions.

There being no questions or comments the item was put to the vote and the resolution was adopted unanimously.

4. Discharge

4a. Discharge of the Management Board for the performance of their duties in 2018

The chairman invited those present to ask questions. There being no questions or comments the item was put to the vote.

The chairman concluded that the resolution to grant the Management Board discharge from liability for the management conducted in 2018 was adopted by 99.55% of the votes.

4b. Discharge of the Supervisory Board for the performance of their duties in 2018

The chairman invited those present to ask questions. There being no questions or comments the item was put to the vote.

The resolution to grant the Supervisory Board discharge from liability for the supervision exercised in 2018 was adopted by 99.55% of the votes.

5. Composition of the Supervisory Board

5a. Resignation of Mr. René Kuipers

The chairman reported that on 28 February 2019 a press release was issued regarding the resignation of René Kuipers from the Supervisory Board. Mr. Kuipers has been a member of the Supervisory Board of VolkerWessels since May 2015 and during that period has made a significant contribution to the Supervisory Board and the supervision exercised. He indicated that he wishes to reserve time and attention for other activities and make way for successors on the Supervisory Board. Mr. Kuipers' resignation from the Supervisory Board will take effect immediately following this meeting. The chairman thanked Mr. Kuipers for his much-appreciated efforts as a Supervisory Board member.

The chairman invited those present to ask questions. There were no questions or comments.

5b. Appointment of Ms. Anja Montijn-Groenewoud as a member of the Supervisory Board

The chairman tabled the resolution to appoint Anja Montijn. In accordance with article 21.1 of the Articles of Association Ms. Montijn was nominated as a member of the Supervisory Board. The nomination was made by Reggeborgh pursuant to the relationship agreement between the company and Reggeborgh under which Reggeborgh as the majority shareholder is entitled to nominate new members of the Supervisory Board. Furthermore the Central Works Council also recommended the nomination of Ms. Montijn pursuant to its enhanced right of recommendation.

Ms. Montijn is 56 years of age and has Dutch nationality. She has gained operational and management experience at Accenture and has extensive knowledge of IT and digitalisation as well as HR, most recently in the position of Global Managing Director Resources Management Consulting.

Ms. Montijn currently holds positions as a non-executive board member at OCI, as a member of the Supervisory Board at Fugro and as a member of the board of the Dutch Association of Listed Companies (VEUO). As such she complies with the limit on the maximum number of supervisory board positions held as set out in the Dutch Management and Supervision Act.

In light of her advisory role at Reggeborgh Ms. Montijn will be considered a non-independent member of the Supervisory Board in the sense of the Dutch Corporate Governance Code. As a result the Supervisory Board will consist of three independent members and three non-independent members, meaning that as of that time the requirement under best practice provision 2.1.7. of the Dutch Corporate Governance Code, which prescribes that more than half of Supervisory Board members should be independent, will no longer be met. This can, however, be explained by Reggeborgh's position as a shareholder and the aforementioned relationship agreement with Reggeborgh. The remuneration package of Ms. Montijn will be the same as for the other Supervisory Board members, namely an annual fee of € 70,000. Ms. Montijn holds no shares in VolkerWessels. Ms. Montijn will be a member of the selection committee and the projects committee.

The profile of the Supervisory Board was taken into account in making this nomination and it is the opinion of the Supervisory Board that it is comfortably met in this instance. Ms. Montijn forms a welcome addition to the skills and experience already present among the other Supervisory Board members, including in the areas of integrated (international) projects and the associated risks, innovation, information technology, human resources and management development. This is also evident from her CV, which is attached to the notes to the agenda. Needless to say, the diversity policy also played a major role in making this nomination and the Supervisory Board is delighted to have found a suitable female candidate. This is an initial step which contributes to the ambition to ensure that the composition of both the Supervisory Board and the Management Board is a faithful representation of the Company's overall workforce by 2022.

In accordance with the nomination it was proposed that Ms. Montijn be appointed as a member of the Supervisory Board for a term of four years from 18 April 2019.

Ms. Montijn briefly introduced herself.

There being no questions or comments on this subject the item was put to the vote and the proposal to appoint Ms. Montijn as a member of the Supervisory Board of Royal VolkerWessels N.V. was adopted by 97.66% of the votes. The chairman congratulated Ms. Montijn on her appointment and wished her a warm welcome.

5c. Appointment of Mr. Eelco Blok as a member of the Supervisory Board

The chairman tabled the resolution to appoint Eelco Blok. In accordance with article 21.1 of the Articles of Association Mr. Blok was nominated as a member of the Supervisory Board. This nomination was also made by Reggeborgh pursuant to the relationship agreement and here too the Central Works Council recommended the nomination of Mr. Blok pursuant to its enhanced right of recommendation. The nomination was made in light of the vacancy created by Mr. Kuipers stepping down from the Supervisory Board.

Mr. Blok is 61 years of age and has Dutch nationality. He has nearly 35 years' experience in telecommunications and until April 2018 was CEO of KPN. Besides telecommunications he has extensive experience in integrated projects, innovation, information technology, corporate social responsibility and managing international companies. Mr. Blok currently holds supervisory positions with Signify, Post NL and Telstra, a leading telecom provider in Australia. Mr. Blok complies with the limit on the maximum number of supervisory board positions held as set out in the Dutch Management and Supervision Act.

As already mentioned in the notes to the nomination of Ms. Montijn, after Mr. Blok succeeds Mr. Kuipers the Supervisory Board will consist of three independent members and three non-independent members, meaning that best practice provision 2.1.7. of the Dutch Corporate Governance Code will no longer be met. The remuneration package of Mr. Blok will be the same as for the other Supervisory Board members, namely an annual fee of € 70,000. Mr. Blok holds no shares in VolkerWessels. He will be a member of the projects committee and the remuneration committee (chair).

The profile of the Supervisory Board was taken into account in making this nomination and it is the opinion of the Supervisory Board that the profile has once again been more than met in this instance,

with Mr. Blok forming a welcome addition to the skills and experience already present among the other Supervisory Board members.

In accordance with the nomination it was proposed that Mr. Blok be appointed as a member of the Supervisory Board for a term of four years from 18 April 2019.

Mr. Blok briefly introduced himself.

There being no questions or comments on this subject the item was put to the vote and the proposal to appoint Mr. Blok as a member of the Supervisory Board of Royal VolkerWessels N.V. was adopted by 96.74% of the votes. The chairman congratulated Mr. Blok on his appointment and wished him a warm welcome.

6. Extension of the authorisation of the Management Board to acquire fully paid-up ordinary shares in the capital of the Company

The chairman reported that pursuant to a resolution of the Annual General Meeting of Shareholders of 3 May 2018 the Management Board is authorised to acquire fully paid-up ordinary shares in the Company's capital, on or off the stock market, up to the statutory maximum of 10% of the issued capital, for a price that is no higher than 10% above the share price at the time of the transaction, with any decision by the Management Board being subject to approval by the Supervisory Board and the Company not being permitted to hold shares in excess of 50% of the Company's total issued share capital.

The chairman tabled the resolution to extend this authorisation for another period of 18 months as from the date of this meeting, which would extend the Management Board's authorisation until 18 October 2020.

There being no questions or comments the item was put to the vote and the resolution was adopted by 99.56% of the votes.

7. Extension of the authorisation of the Management Board

7a. Extension of the authorisation of the Management Board to issue shares

The chairman reported that pursuant to a resolution of the Annual General Meeting of Shareholders of 3 May 2018 the Management Board is designated as the body authorised to issue ordinary shares and to grant rights to subscribe to ordinary shares in the capital of the Company for a period of 18 months, with any decision by the Management Board being subject to approval by the Supervisory Board. This authorisation is limited to a maximum of 10% of the issued capital following the date of this meeting.

The chairman tabled the resolution to extend this authorisation for another period of 18 months as from the date of this meeting, which would extend the Management Board's authorisation until 18 October 2020.

There being no questions or comments the item was put to the vote and the resolution was adopted by 99.98% of the votes.

7b. Extension of the authorisation of the Management Board to restrict or exclude pre-emptive rights in connection with the issuance of ordinary shares

The chairman stated that the agenda item concerned the restriction or exclusion of pre-emptive rights. He tabled the resolution to also extend this authorisation for a period of 18 months, which would also extend the Management Board's authorisation in this matter until 18 October 2020.

There being no questions or comments the item was put to the vote and the resolution was adopted by 99.94% of the votes.

8. Any other business

The chairman invited those present to ask any questions.

Mr. Den Ouden (Dutch Investors' Association VEB) noted that the development of the share price in 2018 had been uncomfortable for shareholders. He asked whether the Supervisory Board had discussed the share price development and whether this discussion had gone beyond the provisions for the OpenIJ project. If so, could the Supervisory Board share these considerations with the meeting?

The chairman replied that the share price development is a discussion item at every meeting. He described it as a daily point of attention, both in and outside the meetings, and pointed out that several members of the Supervisory Board own shares. He acknowledged that there had been some unpleasant moments and referred to the underlying values of the business, which he described as convincing. Away from OpenIJ, the performance of KVV has been one of the better ones in the sector. The chairman said this is an important fact, VolkerWessels' work is focused on the longer term.

In light of the negotiations with the Dutch department of public works Mr. Dekker drew attention to a book by Ms. Rooijendijk which looks at the construction of the Afsluitdijk. Mr. Dekker furthermore announced that he had been unpleasantly surprised by the appointment of Mr. Zijlstra at KVV.

9. Closing

The chairman closed the meeting at 3.45 pm and thanked those present for coming and contributing to this Annual General Meeting of Shareholders of VolkerWessels.

This is a translation of the Dutch version of the minutes of the Annual General Meeting of Shareholders of VolkerWessels held on 18 April 2019, in case of inconsistencies, the Dutch version prevails.

The response time of three months after the publication date of these minutes passed without any comment being made, after which the minutes were adopted by the chairman and the secretary on 18 December 2019.