REMUNERATION REPORT

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

This remuneration report contains:

- Overview of the current remuneration policy and remuneration design for the Board of Management.
- Remuneration of the Board of Management in 2018, based on application of the policy in 2018.
- Remuneration of the Board of Management in 2019.
- Overview of term of appointment of the members of the Board of Management.
- Remuneration of the Supervisory Board.

Further information on remuneration and on option and share ownership of members of the Board of Management is available in note 5.59.2 of the financial statements in this annual report, while note 5.59.3 contains more information on remuneration of the Supervisory Board members. The remuneration policy and the remuneration committees' charter, which is included in the Supervisory Board's rules, are posted on Fugro's website.

Remuneration policy that applies to the members of the Board of Management

The main objective of Fugro's remuneration policy is to attract, motivate and retain qualified management that is needed for a global company of the size and complexity of Fugro. The members of the Board of Management are rewarded accordingly. The remuneration policy aims at compensation in line with the median of the labour market reference group. Variable remuneration is an important part of the total package. The policy supports both short and long-term objectives, whereas the emphasis is on long-term value creation for Fugro and its stakeholders.

The current remuneration policy was first adopted by the AGM in 2014 and has since been adjusted twice, most recently by the AGM in 2017. The remuneration policy will be reviewed once every three years to verify its market conformity, potentially leading to adjustments. The last review took place in 2017 and the next review will in principle take place in 2020.

Labour market reference group

In preparing the remuneration policy and to determine the remuneration of the members of the Board of Management, the remuneration committee uses external benchmark information to assess market comparability of the remuneration. The labour market reference group consists of 14 Dutch listed companies of comparable scope with international/ global business activities. These are: Aalberts Industries, Accell Group, Aperam, Arcadis, ASM International, BAM Group, Boskalis, Brunel, Refresco, SBM Offshore, TKH Group, TomTom, Vopak and Wolters Kluwer.

The Supervisory Board will periodically evaluate the composition of the labour market reference group, among others, in light of corporate events. Companies removed from the reference group will be replaced by other listed companies of comparable scope with international/ global business activities.

Pay ratios

When formulating the remuneration policy, the pay ratios within Fugro are taken into consideration. An external consultant assisted in developing an approach to review internal pay ratios and, more specifically, the internal pay ratio between the CEO and the average of the employees for the relevant year. Based on the value of the actual long-term incentive awarded to the CEO[1] in 2018, Fugro had a pay ratio of 20 (2017: 13), implying that the CEO pay was 20 times the average pay within the organisation. The average pay takes into account all employee costs, i.e. salaries, variable pay, pensions and other benefits. Based on the expected value of the CEO long-term incentive at target vesting, the pay ratio would have been 26 (2017: 23).

[1] For this calculation, the remuneration package of the CEO as per year end (Mark Heine) has been used. The total remuneration package has been annualised to reflect a full year of service in this position (given the appointment during the year as of 1 October 2018).

Analyses

In the design of the remuneration policy and in determining the remuneration of the members of the Board of Management, the Supervisory Board takes into account possible outcomes of the variable remuneration elements and how they may affect the overall remuneration. The level and structure of the remuneration are designed by taking into consideration these scenario analyses, internal pay differentials, development of the market price of the Fugro shares and the performance indicators relevant to the long-term objectives of the company, as included in the strategic agenda. The remuneration structure and elements do not encourage risk taking that is not in line with Fugro's strategy and risk appetite. The remuneration committee takes note of individual Board of Management members' views with regard to the amount and structure of their own remuneration.

Share ownership guidelines

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

Claw back and value adjustment

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

Remuneration design

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

- Fixed base salary
- Short-term incentive (STI), consisting of an annual cash bonus opportunity
- Long-term incentive (LTI), consisting of conditional performance shares[1]
- Pension and other benefits

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

Fixed base salary

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

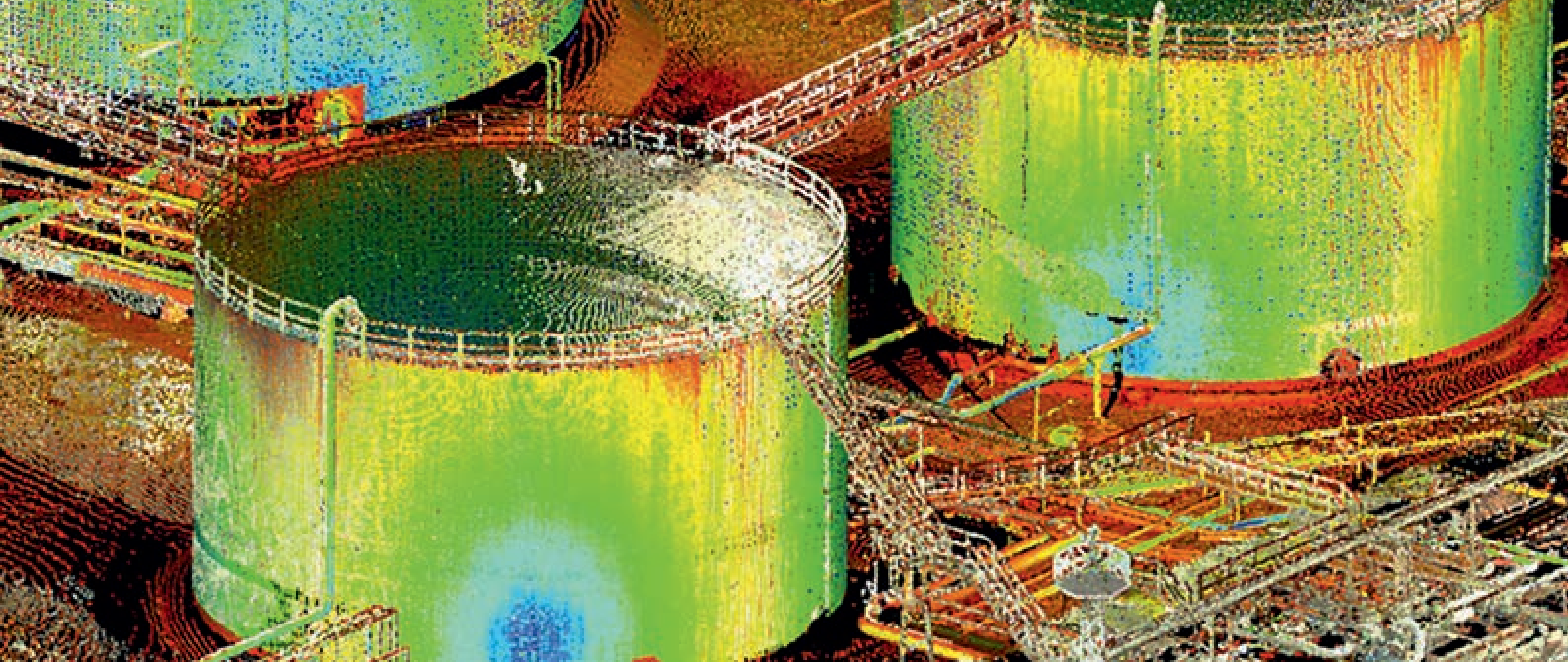
Short-term incentive (STI)

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

At the beginning of each financial year, the Supervisory Board will set the targets, based on the budget and taking into account the strategy aspirations. In respect of the financial targets, three to four financial metrics will be selected from the following list:

- Earnings per share (EPS)
- EBIT margin
- Working capital
- Cash flow
- Net debt
- Organic revenue growth

[1] From 2014 to 2017, the LTI consisted of a mix of conditional performance shares and performance options. In line with market practice, the form of conditional awards has been changed from a mix of performance shares and options to performance shares only. This was approved by the AGM in 2017.



3D mapping of tank storage.

The Supervisory Board will also determine the relative weighting for the selected financial metrics and the applicable performance zones for each target (financial and non-financial). These performance zones determine: (i) the performance level below which no pay-outs are made; (ii) the performance level at which 100% of the target pay-out is made; and (iii) the performance level at which the maximum of 150% of the target pay-out is made. There will be no overshoot possibility for the non-financial targets.
The maximum multiplier for the financial targets is therefore 1.67. The Supervisory Board ensures that the targets are challenging, realistic and consistent with Fugro's strategic goals. Achievement of the targets is determined by the Supervisory Board and the bonus, if any, is paid after adoption by the AGM of the financial statements.

Long-term incentive (LTI)

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

The number of granted performance shares is set for a period of three years. The principle being that the expected value as percentage of fixed base salary of the members of the Board of Management is as follows: CEO 100%, CFO 90% and other members 80%. A new three-year period started with the grant on 1 March 2018.

Grants under the LTI are made in the open period on the fifth trading date after publication of the annual results.
The performance period is from 1 January of the year of granting to 31 December three years later. The next grant will be on Monday 4 March 2019, with the numbers of conditionally granted performance shares being equal to the numbers that were granted in 2018. After the grant in 2018, the fixed base salary of Paul Verhagen was increased from EUR 450,000 to EUR 500,000 gross per year as of 26 April 2018 and the fixed base salary of Mark Heine was increased from EUR 450,000 to EUR 660,000 gross per year as of 1 October 2018, when he was appointed CEO. As a result, the Supervisory Board has decided, on the recommendation of the remuneration committee, to base the award on 4 March 2019 on the higher salaries and to increase the number of conditionally granted performance shares accordingly.

The maximum number of shares that can vest after three years equals 175% of the conditionally granted number of shares (only in the case that maximum performance is achieved on all criteria). As of the granting in 2018 the criteria used for vesting and their relative weight are as follows:
- Total shareholder return (TSR): 37.5%
- Return on capital employed (ROCE): 37.5%
- Strategic target: 25%

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

Total shareholder return ranking (weight: 37.5%)	Vesting (% of conditional award)
1	175%
2	150%
3	125%
4	100%
5	75%
6	50%
7	25%
8-12	0%

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

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

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

Pension and other benefits

The pension contribution for the members of the Board of Management is in line with market practice. In accordance with Dutch law, tax deductible pension accruals are only possible for the part of salary up to EUR 105,075 (2018). Members of the Board of Management are compensated by a non-tax deductible, age dependent pension contribution, which allows building up pension out of net salary, resulting in pension costs for Fugro at a similar level as before the legislative changes per 1 January 2015.

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

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

Remuneration Board of Management 2018

Fixed base salary

As was announced in the remuneration report 2017, part of the annual report 2017, as of 26 April 2018 (the date of the AGM in 2018), the annual fixed base salary of the CEO has been increased from EUR 600,000 to EUR 660,000 gross per year and the annual fixed base salary of the CFO has been increased from EUR 450,000 to EUR 500,000 gross per year. Both salary increases were based on the outcome of external benchmarking by an independent consultant. The Supervisory Board also took into account the fact that the fixed base salary of the CEO had not been increased since 2014 and that of the CFO had never been increased since his appointment per 1 January 2014.

Short-term incentive

2017 (paid in 2018)

As explained in the remuneration report 2017, part of the annual report 2017, the bonuses regarding 2017 were only based on the achievement of the personal (non-financial) targets. These bonuses were not paid in cash, but in restricted shares, as follows: Mr. Van Riel 8,300 shares, Mr. Verhagen 6,250 shares, Mr. Heine 6,250 shares and Mr. Bouffard 6,250 shares. These shares have a vesting period of 3 years and thereafter a lock-up period of 2 years.
An exception was made for Mr. Van Riel who retired after the AGM. His shares do not have a vesting period, but only a lock-up period of 3 years. The granting of these shares was approved by the AGM on 26 April 2018 and took place on 1 May 2018.

2018 (to be paid in 2019)
The remuneration committee evaluated the performance of the Board of Management in 2018 in relation to the targets that had been set for the year. The financial metrics applied for the STI in 2018 were: adjusted EBIT margin (weight 35%), working capital percentage (weight 20%) and adjusted cash flow after investments (weight 20%). The actual 2018 performance in relation to the performance zones that had been set for each of the financial targets resulted in a bonus of 34.7% of the 2018 fixed base salary. The personal targets (weight 25%) consisted of several targets for the Board of Management as a team (e.g. updating strategy), in addition to some specific targets for each individual board member. The evaluation of performance on these personal targets resulted in a bonus of 8.3% to 13.4% of 2018 fixed base salary. The total of financial and personal targets would result in a bonus of 43.0% to 48.0% of fixed base salary.

As earnings per share of Fugro were negative in 2018, the remuneration committee proposed to reduce the bonusses to 62.5% of the calculated amounts, in line with the practice applied to other senior staff this year in Fugro that is eligible to a bonus. This resulted in a bonus for members of the Board of Management of 26.9% to 30.0% of fixed base salary. On 22 February 2019, the Supervisory Board discussed the proposal of the remuneration committee and agreed with it.

Mr. Løseth, who stepped down from the Board of Management as of 1 October 2018 for personal reasons and whose management services agreement was terminated per 31 December 2018, was entitled to a contractually agreed bonus relating to 2018 of 50% of his fixed annual salary of EUR 660,000 gross. This was approved by the Extraordinary General Meeting of 14 December 2017.

Remuneration overview	M.R.F. Heine CEO		P.A.H. Verhagen CFO		B.M.R. Bouffard		P. van Riel		Ø. Løseth	
2018	**2018 Euro**	2017 Euro	**2018 Euro**	2017 Euro	**2018 Euro**	2017 Euro	**2018 Euro**	2017 Euro	**2018 Euro**	2017 Euro
Fixed base salary	502,500[1]	450,000	483,336[2]	450,000	450,000	450,000	300,000[3]	600,000	590,000[4]	n/a
Short-term incentive (STI) [5]	151,000	75,000	145,000	75,000	121,000	75,000	90,000	99,600	330,000[6]	n/a
Pension costs including disability insurance and related costs	45,469	43,505	59,890	59,032	41,041	43,385	26,084	43,129	137,608	n/a
Pension compensation	61,042	59,618	76,841	75,936	66,567	65,608	49,189	96,847	n/a	n/a

1 As of 1 October 2018, Mr. Heine succeeded Mr. Løseth as CEO and his annual fixed base salary was increased from EUR 450,000 to EUR 660,000 gross per year. The amounts shown above cover the full year 2018.
2 As of 26 April 2018, the annual fixed base salary of Mr. Verhagen was increased from EUR 450,000 to EUR 500,000 gross per year. The amounts shown above cover the full year 2018.
3 Mr. Van Riel stepped down from the Board of Management on 26 April 2018 and his management services agreement ended on 30 June 2018. The amounts shown above cover the period until 30 June 2018.
4 Mr. Løseth stepped down from the Board of Management on 1 October 2018 but his management services agreement ended on 31 December 2018. The amounts shown above cover the full year 2018.
5 The STI 2017 was paid in restricted shares on 1 May 2018, based on a price of EUR 12 per share. The 8,300 shares that Mr. Van Riel received had no vesting period but are subject to a lock-up period of 3 years. Mr. Van Riel was allowed to sell 4,011 shares (which he did) to cover for taxes.
6 Mr. Løseth was entitled to a contractually agreed bonus relating to 2018 of 50% of EUR 660,000 gross (approved by the EGM in December 2017). This amount was paid in December 2018.

Long-term incentive
Until 2014, the LTI for the members of the Board of Management and other senior management consisted of unconditional options with a vesting period of three years and a lifetime of six years. As of 2014, the LTI was changed into a mix of conditional performance shares and performance options. These have been granted per 31 December 2014, 2015 and 2016. As of 2017, the form of conditional grants has been changed – in line with market practice – from a mix of performance shares and performance options to conditional grants in the form of performance shares only. Furthermore, the moment on which LTI grants are made was shifted to the open period immediately following the publication of the annual results, instead of as per 31 December. As a result, the grants at the end of 2017 were shifted to 1 March 2018. These changes as of 2017 have been approved by the AGM in 2017.

The following table shows an overview of unconditional options, still outstanding under the 'old' unconditional option plan, held by members of the Board of Management who were in office in 2018. As of 2014 no unconditional options were granted anymore to members of the Board of Management.

Unconditional options	M.R.F. Heine	P.A.H. Verhagen	B.M.R. Bouffard	P. van Riel
Outstanding on 31 December 2017	36,500	30,000	n/a	115,000
Exercised in 2018	0	n/a	n/a	0
Expired with no value on 31 December 2018	(8,000)	n/a	n/a	(60,000)
Outstanding on 31 December 2018	28,500	30,000	n/a	55,000

The following table shows an overview of conditional performance shares and performance options held by members of the Board of Management who were in office in 2018. The 58,000 performance shares that were granted to Mr. Løseth on 1 March 2018, lapsed when Mr. Løseth decided to step down from the Board of Management as per 1 October 2018.

	M.R.F. Heine	P.A.H. Verhagen	B.M.R. Bouffard	P. van Riel
Performance shares				
Outstanding on 31 December 2017	31,000	33,750	11,250	45,000
Not vested on 1 March 2018 as a result of not achieving the targets[1]	(8,500)	(11,250)	n/a	(15,000)
Forfeited on 30 June 2018	n/a	n/a	n/a	(10,000)
Granted on 1 March 2018	32,000	40,000	32,000	n/a
Outstanding on 31 December 2018	54,500	62,500	43,250	20,000
Performance options				
Outstanding on 31 December 2017	62,000	67,500	22,500	90,000
Not vested on 1 March 2018 as a result of not achieving the targets[1]	(17,000)	(22,500)	n/a	(30,000)
Forfeited on 30 June 2018	n/a	n/a	n/a	(20,000)
Outstanding on 31 December 2018	45,000	45,000	22,500	40,000

[1] The vesting date of the performance shares and performance options granted as per 31 December 2014 was 1 March 2018. On 21 February 2018, following the advice of the remuneration committee, the Supervisory Board decided that the targets for vesting of both these performance shares and performance options were not achieved because the ROCE target (50% weight) was below the threshold and the TSR (50% weight) ranking was above 7. As a result, these performance shares and performance options did not vest on 1 March 2018 and expired.

The following table shows an overview of shares held by the current members of the Board of Management. The 50,000 restricted shares that were granted to Mr. Løseth upon his appointment as member of the Executive Board per 1 January 2018, lapsed when Mr. Løseth decided to step down from the Board of Management as per 1 October 2018.

	M.R.F. Heine	P.A.H. Verhagen	B.M.R. Bouffard
Number of shares on 31 December 2018	22,350[1]	28,730[1]	15,750[1]

[1] Including 6,250 restricted shares with a vesting period of 3 years as of 1 March 2018 and thereafter a lock-up period of 2 years.

Other benefits

The additional benefits remained unchanged in 2018.

Remuneration Board of Management 2019

No changes are foreseen in 2019.

Term of appointment of members of Board of Management

When members of the Board of Management are nominated for (re)appointment, the nomination is for a maximum period of four years. The current appointments expire as follows:

M.R.F. Heine (CEO) [1]	AGM 2019
P.A.H. Verhagen (CFO)	AGM 2022
B.M.R. Bouffard	AGM 2020

[1] Mr. Heine will be nominated for reappointment at the AGM on 26 April 2019.

Severance payments

Severance payment to members of the Board of Management is limited to one year's fixed base salary and in principle is applicable in the event of termination or annulment of the management services agreement unless this is for cause. This severance payment is also applicable when the termination is justified by such change of circumstances that the members of the Board of Management cannot reasonably be expected to continue the performance of their function/ services as a statutory director of Fugro. This may be the case, for example, if Fugro is liquidated, is merged with or taken over by a third party, is subject to an important reorganisation or to a major change of policy.

In 2018, no severance payments have been paid or committed to (former) members of the Board of Management.

Remuneration Supervisory Board in 2018

The remuneration of the Supervisory Board was determined by the AGM in 2011. The remuneration is not dependent on the results of Fugro. Supervisory Board members may not be awarded remuneration in the form of shares and/or rights to shares. Fugro does not grant loans, advance payments, guarantees, shares or rights to shares to Supervisory Board members. None of the Supervisory Board members holds shares or rights to shares in Fugro.

The fixed fee for the Chairman of the Supervisory Board is EUR 70,000 and EUR 55,000 for the vice-chairman.
The other members of the Supervisory Board each receive a fixed fee of EUR 50,000. Audit committee, nomination committee and remuneration committee membership is awarded EUR 8,000 per member and EUR 10,000 for the chairman. In addition, Supervisory Board members that live or have business in the United States receive an attendance allowance of EUR 5,000 per physical meeting to compensate for the additional time commitment due to travelling when meetings are held outside the US.

No proposal to increase the remuneration for Supervisory Board members will be submitted to the AGM in 2019.

The following table provides an overview of the remuneration awarded to Supervisory Board members in 2018.

(x EUR)	Fixed fee	Membership committee	Attendance allowance	Total
H.L.J. Noy (chairman)	70,000	10,000	–	80,000
J.C.M. Schönfeld (vice-chairman)	55,000	10,000	–	65,000
A.J. Campo	50,000	8,000	30,000	88,000
P.H.M. Hofsté	50,000	8,000	–	58,000
A.H. Montijn	50,000	10,000	–	60,000
D.J. Wall	50,000	8,000	25,000	83,000

Leidschendam, 22 February 2019

On behalf of the remuneration committee
Anja Montijn, Chair