The Supervisory Board reviewed the remuneration policy for the Board of Management of Fugro N.V. ("Fugro") at the end of 2016/ beginning of 2017. The adjustments proposed by the Supervisory Board were adopted by the Annual General Meeting ('AGM') on 2 May 2017. The adjusted remuneration policy took effect retroactively as from 1 January 2017.

Remuneration policy

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 focuses on long-term value creation for Fugro and its stakeholders. The remuneration policy was amended by the AGM in 2017 and the adjusted policy took effect retroactively as of 1 January 2017. Within the framework of the policy, the remuneration for the Board of Management is determined by the Supervisory Board on the advice of the remuneration committee. The remuneration policy will be reviewed once every three years to verify its market conformity, potentially leading to adjustments.

Labour market reference group

In preparing the remuneration policy, the remuneration committee used external benchmark information to assess market comparability of the remuneration. The labour market reference group used in adjusting the remuneration policy consists of 14 Dutch listed companies of comparable scope with highly 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.

In addition, an international reference group, consisting of oil & gas services companies, has been used in assessing market competitiveness within the sector, particularly regarding the short and long term incentive levels. When evaluating remuneration of the Board of Management, the Supervisory Board has also taken into account the internal pay ratios within Fugro.

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 highly international/ global business activities.

Analyses

In the design of the remuneration policy and in determining the remuneration of the members of the Board of Management, the Supervisory Board has taken into account possible outcomes of the variable remuneration elements and how they may affect the remuneration of the members of the Board of Management. The level and structure of the remuneration are designed by taking into account these scenario analyses, internal pay differentials and the performance indicators relevant to the long-term objectives of Fugro, as included in the strategic agenda. The remuneration structure and elements do not encourage risk taking that is not in line with the risk profile of Fugro.

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. 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 build-up period equals 5 years.

Statutory authority in relation to variable remuneration

Pursuant to section 2:135 paragraph 6 Dutch Civil Code ("DCC"), the Supervisory Board is authorized to adjust a variable remuneration component (*the part of the remuneration which is not fixed, the granting of which is dependent in full or in part on the achievement of certain targets or the occurrence of certain circumstances*) to an appropriate level if payment of that variable remuneration component would be unacceptable according to standards of reasonableness and fairness.

Pursuant to section 2:135 paragraph 8 DCC, Fugro is authorized 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.

Fugro will apply the Dutch gain capping rule (section 2:135 paragraph 7 DCC), which mitigates a member of the Board of Management's personal gains as a consequence of a change of control.

Remuneration design

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

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

The conditional shares are performance related and vest after three years, depending on the achievement of predetermined criteria, which are focused on long-term value creation.

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

** In line with market practice, the form of awards has been changed from a mix of conditional performance shares and conditional performance options as provided for in the previous remuneration policy, to awards in the form of conditional performance shares only as of 2018.*

Fixed base salary

Fixed base salaries of the members of the Board of Management are set in line with the median of the labour market reference group. Also taking into account market conditions, fixed base salaries have not been increased in 2015, 2016 and 2017.

Severance pay

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.

Short-term incentive (annual bonus)

Each member of the Board of Management is eligible for an annual bonus. The bonus may vary from 0% to 100% of fixed base salary, with 67% being applicable when targets are achieved.

Targets are set yearly by the Supervisory Board, based on the budget and taking into account the strategy aspirations. Financial targets determine 75% of the bonus, non-financial or personal targets determine the remaining 25%. The non-financial or personal targets give the possibility to include health and safety, corporate social responsibility, personal development goals, etc. as targets into the bonus program.

For the financial targets, a list of six financial performance measures has been introduced. At the beginning of each financial year, the Supervisory Board will select from this list, three or at maximum four criteria that will be applied in that financial year. That enables the Supervisory Board to focus the criteria on the specific priorities in a given financial year. These may vary, also in view of the cyclical nature of large parts of Fugro's business. The list of financial measures is:

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

The Supervisory Board will also set at the beginning of each financial year the relative weight for the selected financial criteria and the applicable performance zones, with no bonus below the threshold level and the maximum bonus when performance exceeds the upper end of the performance zone. There will be no overshoot possibility for the non-financial or personal 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.

Long-term incentive (performance shares only)

To strengthen the alignment with shareholder's interests, the long-term incentive plan consists of the annual grant of conditional performance shares. The conditional shares are performance related and vest after three years, depending on the achievement of predetermined criteria, which are focused on long-term value creation. Vesting is also subject to continuous employment.

The number of conditionally granted 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%.

Grants under this long-term incentive plan are made in the open period immediately following the publication of the annual results. The performance period is from 1 January of the year of granting to 31 December three years later. The first grant under this adjusted policy will be in early 2018 (after publication of the 2017 annual results), with the number of conditionally granted shares being based on the average share price of the Fugro shares in the last quarter of 2017.

The number of shares that vest after three years is dependent on the achievement of certain targets. The maximum number of shares that can vest equals 175% of the conditionally granted number of shares (only in the case that maximum performance is achieved on all criteria). 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, among others, in light of corporate events, but initially comprised of: Amec Foster Wheeler, Baker Hughes, Boskalis, Core Laboratories, Fluor, John Wood Group, Oceaneering, Schlumberger, Subsea 7, TechnipFMC and Transocean.

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 vesting 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.

The conditional shares can become unconditional (i.e. may vest) three years after granting, based on the criteria mentioned above. Vested shares have a holding (lock-up) period of 2 years and may be partly sold only to meet tax requirements at vesting. The holders of conditional shares are not entitled to shareholders' rights, including the right to dividends, during the period between granting and vesting.

Conditional shares are granted to the members of the Board of Management and other senior management in such a way that at any moment the maximum number of outstanding (conditional) rights to acquire shares and conditional shares does not exceed the mandate of 7.5% of the issued ordinary share capital. In order to mitigate dilution, Fugro re-purchases shares with the goal that effectively no new shares are issued when conditional shares vest and (previously granted) options are exercised.

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 100,000. Members of the Board of Management are compensated by a non-tax deductible 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 has not granted any loans, advances or guarantees to members of the Board of Management.

Effectiveness

This adjusted remuneration policy will have retroactive effect as from 1 January 2017. As a transitionary provision, grants made under the LTI plan prior to 1 January 2017, but not vested as to this date, are not affected by the changes to the remuneration policy, provided that the vesting date of such grants will be shifted to the open period immediately following the publication of the annual results, instead of as per 31 December.

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Version 2 May 2017 **[subject to AGM approval on 2 May 2017]**