

REMUNERATION REPORT 2020



TABLE OF CONTENTS





3 INTRODUCTION

5 REMUNERATION POLICY FOR THE BOARD OF MANAGEMENT

8 APPLICATION OF THE REMUNERATION POLICY FOR THE BOARD OF MANAGEMENT IN 2020

11 REMUNERATION POLICY FOR THE SUPERVISORY BOARD

12 APPLICATION OF THE REMUNERATION POLICY FOR THE SUPERVISORY BOARD IN 2020

INTRODUCTION



This remuneration report for the financial year 2020 is drawn up in accordance with the Act Implementation EU Shareholders Directive and the Corporate Governance Code 2016 (the "Code"). The remuneration report shall be scheduled for the agenda of the Annual General Meeting of Shareholders ("AGM") on 12 May 2021 for an advisory vote. The outcome of the advisory vote of the AGM held on 30 June 2020 regarding the remuneration report 2019 was positive based on a large majority. In the same AGM the proposals to amend the remuneration policies for the Board of Management and the Supervisory Board were approved, also with a large majority.

MEMBERS OF THE REMUNERATION COMMITTEE

At the beginning of 2020 the Remuneration Committee consisted of three members, with Mr. Hazewinkel as Chairman and Mr. Van der Veer and Ms. Tammenoms Bakker as members. Mr. Hazewinkel stepped down as Chairman and member on 30 June 2020. He was succeeded by Ms. Tammenoms Bakker as per that date. Also on 30 June 2020, Ms. Jones-Bos joined the Remuneration Committee as member. More than half of the members of the Remuneration Committee are independent in accordance with the Code.

DUTIES AND RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

It is the role of the Remuneration Committee to advise the Supervisory Board on:

- the submission of a clear and understandable proposal concerning the remuneration policy to be pursued for members of the Board of Management with focus on long-term value creation for the company and the business connected with it and which shall take into account the internal pay ratios within the company. The Remuneration Committee shall consider and include all matters required by law, more in particular the Act Implementation EU Shareholders Directive, and the Code. The Supervisory Board shall present the policy to the AGM for adoption.
- the submission of a proposal concerning the remuneration of individual members of the Board of Management. The proposal shall be drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the company and its affiliated enterprise. When formulating the proposal for remuneration of the Board of Management, the Remuneration Committee shall take note of the views of the individual members of the Board of Management with regard to the amount and structure of their remuneration.
- the preparation of the report on the remuneration policy implemented in the past financial year. The Remuneration Committee shall consider and include all matters required by law and the Code. The Supervisory Board's remuneration report shall be placed on the company's website.

ACTIVITIES DURING 2020

The Remuneration Committee met three times during 2020. The attendance rate for the meetings of the Remuneration Committee was 100% for all members of the Remuneration Committee, apart from Ms. Tammenoms Bakker, who missed one meeting in January 2020. The Committee also held regular consultations outside these meetings.

Reports and findings of the meetings of the Remuneration Committee were presented to the entire Supervisory Board.

During the year under review the activities of the Remuneration Committee included:

- informing itself of developments surrounding the remuneration policy for senior management in the Dutch and international markets.
- staying abreast of the latest corporate governance developments in the Netherlands and internationally.
- performing scenario analyses.
- submitting a proposal concerning the remuneration of individual members of the Board of Management in accordance with the law and the Code, wherein among others note has been taken of the views of the individual members of the Board of Management with regard to the amount and structure of their own remuneration in the framework of the remuneration policy.
- discussing with the Board of Management the remuneration of the members of the Group Management, who are not members of the Board of Management.
- evaluating the current remuneration policy.
- holding a consultation round with large institutional shareholders in 2020 to collect feedback on the remuneration policy.

THE MARKET REFERENCE GROUP

The Remuneration Committee applies for the execution of its remuneration activities a market reference group, that is composed of fourteen Dutch (AEX and AMX-listed) companies that are comparable in terms of size and/or business activities. The market reference group was last revised in 2019 based on relevant size criteria, which resulted in a market reference group consisting of BAM, DSM, Fugro, SBM Offshore, VolkerWessels, PostNL, Wolters Kluwer, Arcadis, Vopak, Aalberts Industries, OCI, KPN and TKH Group.

REMUNERATION POLICY FOR THE BOARD OF MANAGEMENT

In the remuneration report 2019, the Supervisory Board announced its intention to adjust the remuneration policy for the Board of Management in order to bring the remuneration level more in line with market practice together with the introduction of a long-term share-based incentive plan. In this context, the remuneration committee held a shareholders consultation and prepared a proposal for a revised remuneration policy. In view of recent developments surrounding COVID-19, the Supervisory Board however decided not to schedule this proposal for the agenda of the AGM. With the prevailing uncertain market conditions the Supervisory Board and the Board of Management considered such an adjustment of the remuneration of the Board of Management not to be appropriate. The remuneration policy was therefore only adjusted to a limited extent, in particular to implement the changes necessary to bring the policy in line with the requirements of the Act on the Implementation of the Revised EU Shareholders' Rights Directive. These changes were tabled for a vote at the AGM on 30 June 2020 and the revised remuneration policy for the Board of Management was adopted by the AGM. Based on the prevailing circumstances, the Supervisory Board will decide at a later date whether an adjustment of the remuneration package of the Board of Management in line with the market is appropriate.

The remuneration policy is consistent with the strategy and core values of Boskalis. These values are centered on the long-term value creation, a balanced risk reward approach for contracting projects and the continuity of the business and take into account the interests of Boskalis' shareholders, clients and employees as well as public support.

The remuneration policy aims to successfully recruit, motivate and retain qualified members for the Board of Management with the right level of experience and competencies to drive the Company's purpose and mission. The remuneration packages for the members of the Board of Management consist of a balanced mix of fixed and variable components with a strong emphasis on the long-term value creation in line with the relevant level playing field externally and internally to ensure a sustainable execution of the Company's strategy on the short and long term.

The Remuneration Committee ascertained that in defining and executing the remuneration policy the remuneration ratios within the company were taken into consideration and that potential outcomes of the variable remuneration components (short- and long-term) for the remuneration of individual board members were analyzed, also by performing scenario analyses. Other factors taken into

REMUNERATION PACKAGE FOR MEMBERS OF THE BOARD OF MANAGEMENT

Type of remuneration	Remuneration component	Performance period & measures	Payout
Fixed	A. Basic salary (x EUR 1,000)	Period: 2020	CEO: EUR 896 BoM member: EUR 648 or EUR 501
	B. Pension plan	—	See table on page 9
Variable	C. Short-term component	Period: 1 year Performance measure: - 50% full-year EBITDA* - 50% individual targets	At target CEO: 50% of basic salary Maximum CEO: 75% of basic salary At target BoM member: 45% of basic salary Maximum BoM member: 67.5% of basic salary
	D. Long-term component	Period: 3 years The performance is measured in a combination of: - Share price performance - Realizing corporate policy targets	At target CEO: 50% of basic salary Maximum CEO: 75% of basic salary At target BoM member: 45% of basic salary Maximum BoM member: 67.5% of basic salary

* As defined in the Annual Report.

account in determining the amount and structure of the remuneration included the development of results with reference to market circumstances, the Boskalis share price performance and non-financial indicators with due consideration of the risks to the company.

The full text of the remuneration policy for the Board of Management is available on the Boskalis website (www.boskalis.com).

REMUNERATION COMPONENTS

The remuneration for the Board of Management contains the following components: basic salary, pension plan, short term variable component, long term variable component and other allowances.

The table below provides an overview of the remuneration package for members of the Board of Management (including pay-out levels and – where applicable – performance measures).

A – BASIC SALARY

The amount of the basic salary is based on the market reference group in accordance with the remuneration policy, checked periodically using data obtained by an independent external advisor taking into consideration the company's specific context. The basic salary is increased annually by the same percentage as the determined budget for the salary increase of the Dutch staff employees.

B – PENSION PLAN

The members of the Board of Management participate in the Boskalis pension scheme, which is administered by the PGB pension fund. Pension accrual is based on a conditionally indexed non-contributory average earnings scheme. As the pension accrual has been capped as of 1 January 2015, a pension supplement is paid out for the part of the salary that exceeds the determined fiscal cap of EUR 110,111 (2020). The amount of the pension supplement depends on the age of the member of the Board of Management. The retirement target age which is used to calculate the pension premium is 68.

C – SHORT-TERM VARIABLE COMPONENT

The short-term variable component consists of two elements of equal weight. The first element relates to the financial results of the Company in a financial year compared to the budget for that year, whereby EBITDA will be the financial performance measure. The other element relates to the extent wherein individual members of the Board of Management have met the objectives as set for them by the Supervisory Board. The Supervisory Board defines these objectives for individual performance and payment of this element of the short-term variable component is subject to these objectives being met. The objectives regarding the individual performances refer to organizational, commercial and operational objectives directly derived from the strategic agenda of the Company and are in line with the corporate objectives as defined for the Company for that financial year. The short-term variable component amounts to 50% of the basic salary for the chairman and 45% for a member of the Board of Management respectively if the objectives are met ("at target"). In the case of excellent performance these percentages may at maximum amount to 75%, respective 67.5%.

The Supervisory Board will ascertain that the short-term variable component is structured in such a way as not to encourage the members of the Board of Management to act in their own interest nor to take risks that are not in line with the strategy formulated and the risk appetite that has been established.

The Supervisory Board has the authority to adjust the pay-out of the short-term variable component if exceptional circumstances have arisen during the performance period. The Supervisory Board also has the authority to demand repayment of the short-term remuneration in the event it was awarded on the basis of incorrect (financial) information ("claw back clause").

The external auditor is involved in the final verification of the short-term variable component. The Supervisory Board reviews the outcomes and determines the appropriateness of any pay-outs.

The payment of the short-term variable component over a financial year will take place in the following year.

D – LONG-TERM VARIABLE COMPONENT

The members of the Board of Management participate for the long-term variable component in a remuneration scheme, which is focused on the realization of the Company's strategy for the long term and aims to align the long-term interests of the members of the Board of Management with the long-term interests of shareholders and other investors.

For the realization of the Company's strategy for the long term, the Supervisory Board defines specific objectives for the Board of Management which are directly derived from the strategic agenda of the Company and more in particular from the applicable Corporate Business Plan as published on the website of the company. The achievement of these long-term objectives is judged on a verifiable basis.

The long-term variable element also emphasizes two parts. The first part is directed at the creation of shareholder value and the other part is focused on the realization of the Company policy for the long term. The long-term remuneration scheme has a period of three years.

The realization of shareholder value will be determined based on the development of the share price of the ordinary shares of the Company as listed at Euronext Amsterdam. The development of the share price is measured by the ratio between the average share price over the three months prior to the commencement and the average share price over the three months prior to the end of the three-year performance period.

At the start of the performance period a basic bonus amount is established equal to the "at target" percentages (50% of the basic salary for the chairman of the Board of Management and 45% for the other executives). In case of excellent performance of the Company policy these percentages may at maximum amount to 75%, respective 67.5%.

The final amount of the long-term variable element is determined by the extent to which the set objectives have been met in the past three years in combination with the actual development of the share price.

The Supervisory Board will ascertain that the long-term variable component is structured in such a way as not to encourage the members of the Board of Management to act in their own interest nor to take risks that are not in keeping with the strategy formulated and the risk appetite that has been established.

The Supervisory Board has the authority to adjust the pay-out of the long-term variable component if exceptional circumstances have arisen during the performance period. The Supervisory Board also has the authority to demand repayment of the long-term remuneration in the event it was awarded on the basis of incorrect (financial) information ("claw back clause").

The external auditor is involved in the final verification of the long-term variable component. The Supervisory Board reviews the outcomes and determines the appropriateness of any pay-outs.

The payment of the long-term variable component over a three year consecutive period will take place in the year following that three year period.

E – OTHER ALLOWANCES

The members of the Board of Management are entitled to certain company benefits as per Boskalis staff' policies (including health insurance, expenses, car and (mobile) phone). No loans, advances or guarantees are extended to the members of the Board of Management.

OTHER TERMS AND CONDITIONS

The table below provides an overview of main elements of the contracts of the members of the Board of Management, including the length of the contracts, terms of office and severance pay of the members of the Board of Management. All contracts of the members of the Board of Management comply with the Code.

LENGTH OF CONTRACTS, TERMS OF OFFICE AND SEVERANCE PAY OF THE MEMBERS OF THE BOARD OF MANAGEMENT

Members of the Board of Management	Contract length	Term of office	Severance pay*
Dr. P.A.M. Berdowski Chief Executive Officer	4 years	4 years	1 year
C. van Noort Chief Financial Officer	4 years	4 years	1 year
T.L. Baartmans Member of the Board	4 years	4 years	1 year
B.H. Heijermans Member of the Board	4 years	4 years	1 year

* Annual basic salary

- The notice period for a member of the Board of Management is three months.
- The contract of a member of the Board of Management ends automatically upon the termination date of such contract, or as the case may be, upon termination of the appointment of the member of the Board of Management. The contract may be terminated forthwith on behalf of the Company in the event that a member of the Board of Management repeatedly or in a severe manner breaches the law, the articles of association of the Company, the contract between the member of the Board of Management and the Company or the Boskalis Code of Conduct and/or other policies of the Company.
- Severance pay will not be rewarded if the contract is terminated early at the initiative of a member of the Board of Management or in the event of seriously culpable or negligent behavior on the part of such member.
- Positions outside the company may only be accepted with the explicit prior approval of the chairman of the Supervisory Board.

APPLICATION OF THE REMUNERATION POLICY FOR THE BOARD OF MANAGEMENT IN 2020



In 2020 the remuneration of the Board of Management was applied in accordance with the remuneration policy as adopted by the AGM on 30 June 2020, without any deviations.

The table on page 9 provides an overview with regard to the remuneration of the members of the Board of Management.

The targets set for the short-term variable component are to support the execution of the strategic agenda of Boskalis in the applicable financial year. The targets set for the long-term variable component are to support the strategy for the long-term value creation of the company.

Individual targets may be quantitative or qualitative (depending on the specific target), while the full-year EBITDA is determined solely in quantitative terms. The external auditor is involved in the final verification of the short-term variable component. The Supervisory Board reviews the outcomes and determines the appropriateness

of any payouts. The Supervisory Board assesses the achievement of the qualitative targets in a thorough and detailed manner.

In view of the COVID-19 pandemic, the Supervisory Board decided that the individual targets for the short-term variable component, that originally were set for the members of the Board of Management at the beginning of the financial year, were no longer appropriate. Instead it was decided that the main priorities for all members of the Board of Management in 2020 would lie with the guidance of Boskalis as well as possible through the crisis. When determining the scores for the qualitative part of the 2020 short-term variable component, the Supervisory Board therefore considered in particular the following performance elements:

- the health and safety of the employees
- the progress and continuity of the business
- the progress of the order intake
- the focus on cash management.

During 2020 the quantitative target set for the short-term variable component was met. The qualitative targets for the short-term variable component, as set out above to manage the COVID-19 crisis, were exceeded. This resulted in 2021 in a payout above the 'at target' level of the short-term variable component.

The Supervisory Board considered the performance of the Board of Management in relation to the long-term variable component (2018-2020) against the following qualitative targets that were set early 2018:

- the execution of the Corporate Business Plan
- the expansion and strengthening of the Offshore Energy division
- the strengthening and rejuvenation of the engineering and operational capacities of the organization
- the succession planning for the Board of Management

The qualitative long-term variable component over the period 2018-2020 was deemed to be in excess of the 'at target' level and was paid out accordingly in 2021. The quantitative long-term variable component based on the evolution of the share price was 0.64.

The scores of the short-term variable component and the long-term variable component for the Board of Management in 2020 were as follows:

Short-term and long-term variable components	2020
Short-term variable component quantitative	25.7% (of 37.5%)
Short-term variable component qualitative	31.25% (of 37.5%)
Long-term variable component qualitative	62.5% (of 75%) 2018-2020
Long-term variable component quantitative (share price performance factor)	0.64 2018-2020

The percentages between brackets refer to the payout percentages in the table on page 5 for the CEO. For the other members of the Board of Management a factor of 0.9 applies.

In the opinion of the Supervisory Board the remuneration granted is appropriate to the performance achieved in 2020, 2019 and 2018.

The Remuneration Committee ascertained that in executing the remuneration policy in 2020 the remuneration ratios within the company were taken into consideration and that potential outcomes of the variable remuneration components (short and long term) for the remuneration of individual board members were analyzed and in part determined by performing scenario analyses.

OVERVIEW OF THE TOTAL REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT

(Payments made by the company in relation to the year concerned x EUR 1,000) ***	Year	Fixed remuneration		Variable remuneration			Pension cost	Other allowances	Total
		Basic salary	%*	Short-term remuneration	Long-term remuneration	%*			
Dr. P.A.M. Berdowski Chief Executive Officer	2020	896	51%	511	320	47%	307	27	2,061
	2019	870	47%	552	382	51%	301	28	2,133
	2018	805	53%	357	337	45%	243	28	1,770
T.L. Baartmans Member of the Board	2020	648	53%	332	208	44%	199	28	1,415
	2019	630	50%	359	249	48%	188	30	1,456
	2018	582	55%	230	219	42%	150	31	1,212
B.H. Heijermans ** Member of the Board	2020	501	61%	257	54	38%	135	7	954
	2019	487	63%	278	-	36%	133	8	906
	2018	147	71%	57	-	28%	35	3	242
C. van Noort ** Chief Financial Officer	2020	501	64%	257	-	33%	107	26	891
	2019	313	61%	185	-	36%	68	17	583

* % of total direct compensation cost (including other allowances and excluding pension cost).

** Mr. Heijermans was appointed as per 1 September 2018 and Mr. van Noort as per 8 May 2019.

*** As of the Remuneration Report 2020, the amounts presented regarding the short-term and the long-term variable component are for the entitled remuneration for the year concerned and are based on the corresponding scores in this report. The 2020 short-term and long-term remuneration is paid out in 2021. The same methodology is applied for the years 2019 and 2018. The 2019 Remuneration Report and prior versions presented the amounts that were actually paid out in that specific calendar year.

No remuneration of the Board of Management was charged to subsidiaries of the company or other companies. The remuneration policy does not contain a share-based long-term incentive scheme. Therefore, no shares or share options have been granted and/or offered to directors.

During the financial year the Supervisory Board did not have to use its authority to demand repayment of any bonus of any member of the Board of Management. Furthermore, no deviations of the decision-making process for applying the remuneration policy in 2020 have occurred.

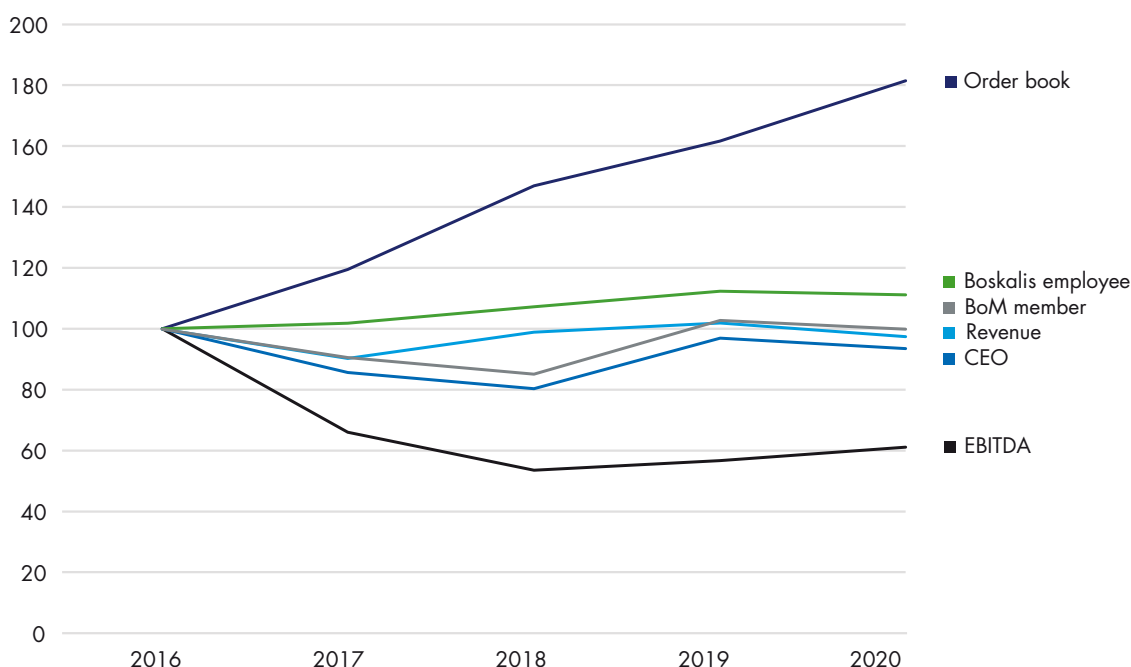
INTERNAL PAY RATIO

In connection to the application of the remuneration policy, the Remuneration Committee has in the year under review considered the internal pay ratio within the company.

In the approach of the internal pay ratio the following calculation method has been applied: the total direct compensation costs of the CEO (including other allowances and excluding pension cost) divided by the average of the total direct compensation costs (including benefits and excluding pension cost) per FTE of the Dutch employees of Baggermaatschappij Boskalis B.V. This leads to an internal pay ratio of 23.81 (2019: 24.87).

FIVE YEAR OVERVIEW REMUNERATION

The graph below provides a five-year overview of the annual change in the remuneration for the CEO and a member of the Board of Management, the development of the company performance as well as the average remuneration (on a full time basis) of the employees of the company (not being director during this period).



REMUNERATION POLICY FOR THE SUPERVISORY BOARD

In the remuneration report 2019, the Supervisory Board announced its intention to adjust the remuneration policy for the Supervisory Board in order to bring the remuneration level more in line with market practice. In view of developments surrounding COVID-19, the Supervisory Board however decided not to schedule this proposal to the AGM. With the uncertain market conditions the Supervisory Board considered such an adjustment of the remuneration of the Supervisory Board not to be appropriate. The remuneration policy was therefore only adjusted to a limited extent, in particular to implement the changes necessary to bring the policy in line with the requirements of the Act on the Implementation of the Revised EU Shareholders' Rights Directive. These changes were tabled for a vote at the AGM on 30 June 2020 and the remuneration policy for the Supervisory Board was adopted by the AGM. Based on the prevailing circumstances, the Supervisory Board will determine at a later date whether an adjustment of the remuneration package of the Supervisory Board in line with the market is appropriate.

The remuneration policy aims to successfully recruit, motivate and retain qualified members for the Supervisory Board with the right level of experience and competencies to supervise the Board of Management in driving the Company's purpose and mission, the policies of the Board of Management and the general affairs of the Company and its affiliated enterprise. The remuneration packages for the Supervisory Board consist in accordance with the Code only of a fixed remuneration to promote an adequate performance of its role and to ensure that it is not being dependent on the results of the company. No loans, advances or guarantees will be extended to members of the Supervisory Board.

The full text of the remuneration policy for the Supervisory Board is available on the Boskalis website (www.boskalis.com).

The remuneration for the Supervisory Board contains the following components: annual allowances, committee allowances and the expenses allowance.

The amount of the remuneration package is determined based on the Dutch market and in accordance with data from companies which are comparable to the Company in terms of size and/or complexity. The policy is to benchmark the allowances periodically to comparable businesses.

The necessary data will be collected with the assistance of an external independent advisor. Furthermore, the remuneration of the Supervisory Board members is based on the time spent and the responsibilities of their role.

OVERVIEW OF THE ANNUAL AND COMMITTEE ALLOWANCES FOR THE SUPERVISORY BOARD

(x EUR 1,000)

Chairman of the Supervisory Board	60
Member of the Supervisory Board	45
Chairman of the Audit Committee	10
Member of the Audit Committee	7
Chairman of the Remuneration Committee	7
Member of the Remuneration Committee	5
Chairman of the Selection and Appointment Committee	6
Member of the Selection and Appointment Committee	4

In addition members of the Supervisory Board receive an annual expenses allowance of EUR 2,368.

The level of remuneration for the Supervisory Board has not changed since 2012.

TERMS OF OFFICE

The terms of office for the Supervisory Board are in accordance with the Code for a period of maximum four years. A member of the Supervisory Board may 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, the profile of the Supervisory Board must be observed.

APPLICATION OF THE REMUNERATION POLICY FOR THE SUPERVISORY BOARD IN 2020

In 2020 the remuneration of the Supervisory Board was applied in accordance with the remuneration policy as adopted by the AGM on 30 June 2020, without any deviations.



Royal Boskalis Westminster N.V.

Rosmolenweg 20
PO Box 43
3350 AA Papendrecht
The Netherlands

royal@boskalis.com
T +31 78 6969000

www.boskalis.com

