

REMUNERATION REPORT

This report was prepared by the appointment and remuneration committee and approved by the Supervisory Board on 10 March 2010. The report describes current policy, as adopted by the (extraordinary) General Meetings of Shareholders in May 2005, August 2006 and May 2007. Since May 2007, the remuneration policy has remained unchanged. The actual remuneration in 2009 is included in the annual accounts on page 102.

Remuneration policy

General

The aim of our remuneration policy is to attract, motivate and retain qualified board members who will contribute to the long-term success of Grontmij as a leading international design, engineering and management consultancy. The policy is designed to reward members of the Executive Board for their contribution to the Group's performance and shareholder value. The policy both for the Supervisory and Executive Board is reviewed every two years for the last time in 2009. As reported on the Annual General Meeting of Shareholders in 2009, the latest review did not result in any changes to the policy being proposed or adopted.

Supervisory Board remuneration

The appointment and remuneration committee periodically assesses the remuneration for the members of the Supervisory Board (most recently in 2009). The shareholders' AGM decides on the actual remuneration. The members of the Supervisory Board receive a fixed compensation not related to the results of the Group.

In 2007, the AGM approved a proposal to fix the remuneration of the members of the Supervisory Board at € 28,000 per annum and at € 40,000 per annum for its chairman. In addition, a proposal was approved to pay an amount of € 1,000 per meeting to those members of the Supervisory Board who are required to attend such meetings outside the country in which they are domiciled. The approved remuneration of the members of the Supervisory Board constitutes a realistic payment for the duties performed and responsibilities held by the members of a supervisory board of an international, listed company. Supervisory Board remuneration has remained unchanged since 2007.

Composition of the Supervisory Board

During 2009, Mr Meysman, Mr Eisma and Mr Zegering Hadders were reappointed for a four years period. All members of the Supervisory Board are independent, as required in best-practice Clause III.2 of the Dutch Corporate Governance Code.

Executive Board remuneration

■ Contract terms

Members of the Executive Board appointed before 1 January 2004 are appointed for an indefinite term. Members appointed after that date are appointed for a four year period. Mr D.M. Zuydam, who is appointed in May 2009 is up for reappointment in 2013.

If members of the Executive Board are asked to leave the company, they will receive an amount equal to one year's salary. No specific agreement has been entered into between any member of the Executive Board and Grontmij N.V. providing for compensation in the event of termination of employment or dismissal as member of the Executive Board following a public bid for the company.

■ Benchmarking and peer group

The remuneration of the members of the Executive Board is based on a comparison with the remuneration of members of executive boards of other listed & non-listed European companies active in the same sector, taking into account the relevant complexity, scope and risk profile (peer group). In addition, the remuneration for each member is determined by taking into account the specific responsibilities of the members of the Executive Board. The companies in the peer group are: ARCADIS, Fugro, DHV, Ballast Nedam, WS Atkins plc, WSP, Sweco and the Pöyry Group. The following elements of the total remuneration were included in the comparison: total cash per year (fixed and variable salary) plus long-term incentives such as share and/or option schemes. The benchmarking exercise is performed by the appointment and remuneration committee with the advice of an external compensation and benefits consultant, and was carried out most recently in 2006 and updated in 2009. The update confirmed that the level of remuneration is in line with the peer group and as a result no changes were proposed or made.

■ Fixed remuneration

The fixed annual salary bandwidths were set in 2006 and reconfirmed in 2009.

The Supervisory Board sets the fixed annual salaries for the members of the Executive Board within these bandwidths. In principle, these bandwidths are indexed annually. In 2009, in view of the economic market situation, no indexation was applied to the existing bandwidths nor was the fixed remuneration of the members of the Executive Board increased. The bandwidths are as follows:

- Chairman of the Executive Board
€ 364,000 - € 437,000
- Other members of the Executive Board:
€ 260,000 - € 333,000

Details of the fixed remuneration are provided on page 102 of the Annual Report 2009.

■ Variable remuneration

In designing this remuneration policy, the Supervisory Board analysed the possible outcome of the variable remuneration components and the effect thereof on remuneration. The variable remuneration consists of two elements: a result-dependent bonus and a value-dependent bonus. The variable remuneration is linked to predetermined, assessable and influenceable targets as described below. These targets underpin the strategy of the company as they relate to the strategic and financial targets set for the years 2007-2010. The maximum variable remuneration for the chairman of the Executive Board amounts to 90% of the fixed annual salary. The maximum variable remuneration for the other members of the Executive Board amounts to 65% of the fixed annual salary.

Performance-dependent bonus

For the CEO, the performance dependent bonus represents a maximum of 60% of the fixed annual salary, two-thirds of which (40%) is based on operational objectives and one-third (20%) on individual objectives.

For all other members of the Executive Board, this part represents a maximum of 45% of the fixed annual salary, two-thirds of which (30%) is based on operational objectives and one-third (15%) on individual objectives. For commercial and strategic reasons, the operational targets are only disclosed ex post whilst individual targets are not disclosed ex post or ex ante.

In 2009, the criteria for operational targets were as follows:

- a. *Profit after income tax* (weighting: 40% in the case of the chairman and 30% for the other members). The target was to achieve a net profit after income tax equal to 2008 level (100% pay out when equal, no pay out when more than 10% below 2008). In 2008, the profit after income tax amounted to € 38.8 million. In 2009 this was € 20.4 million thus not achieving the set target.
- b. *Return on equity (RoE)*: return on average equity (weighting: 10% for all members). The target is an RoE of 20% (100% pay out when 20% is realised, no pay out when RoE is below 15%). RoE amounted to 11.9% in 2009 (2008: 23.3%), thereby not achieving the set target.

Individual performance criteria are based on the individual responsibilities of the members of the Executive Board. There are four to six targets, some quantitative and others qualitative. Two targets are of a financial nature (cash management and overhead cost saving) while at least two targets are of an operational nature (such as growth in home markets and cross selling synergies). In 2009, the members of the Executive Board achieved 9-14% of the maximum of 15% and 20% respectively (2008: 12-15%). Apart from Mrs Nørgaard (due to resignation and contract

clauses) and Mr Van der Werf (who resigned as per 1 April 2010) all members of the Executive Board decided to waive their right to individual short-term bonus payments over 2009 given the economic circumstances and subsequent reorganisational measures taken in 2009.

Value-dependent bonus

For the CEO, this part represents a maximum of 30% of the fixed annual salary; for all other members of the Executive Board this represents a maximum 20% of the fixed annual salary. The value dependent bonus is related to the average performance of Grontmij's share price over a period of three years. Grontmij's average share price performance is compared with the average share price performance over a three-year period of all companies included in the AEX, AMX and AScX of Euronext Amsterdam. No payments are made if Grontmij's performance is the same or less than that of the Euronext group of companies. If there is a positive difference of 10% or more (Grontmij's share-price performance is above the Euronext group of companies' share-price performance), the maximum value-dependent bonus is paid. A proportionate amount is paid for a positive difference between more than 0% and 10%. The bonus is paid once every three years in the financial year following the approval of the financial statements of the last year of the three-year period. Grontmij's share-price performance in comparison with the Euronext group of companies over the years 2006 through 2008 is >10% positive. As a consequence, the maximums of 30% and 20% over the years 2006-2008 respectively is paid in 2009. The current three-year period runs from 2009 through 2011.

A breakdown of the variable remuneration paid to the members of the Executive Board in 2009 is provided on page 102 of the Annual Report 2009.

■ Pensions

In 2006, the pension scheme for all members of the Executive Board was changed to a combination of a final-pay and a defined-contribution scheme. No pension premiums are paid over fixed income above a maximum of € 300,000. In addition, the company's maximum annual pension contributions will not exceed € 75,000 per member of the Executive Board. In 2009, the following scheme applied to the Dutch members of the Executive Board:

- up to € 65,448 of a member's fixed salary – a final-pay plan (via Stichting Pensioenfonds Grontmij);
- from € 65,448 to € 110,509 – a defined-contribution plan (via Stichting Pensioenfonds Grontmij);
- from € 110,509 to € 300,000 – an additional defined-contribution plan based on which up to 25% of the fixed income from € 110,509 to € 300,000 of the relevant member is paid into an individual pension plan.

■ Other benefits

Since 1999, the members of the Executive Board have had the opportunity to invest in the company through Stichting Medewerkersparticipatie Grontmij without incurring transaction or custody fees. The new Employee Share Purchase Scheme introduced in 2008 is not open to members of the Executive Board nor is there an option scheme available for the members of the Executive Board.

The members of the Supervisory Board consider it important to align the interest of management with the interest of Grontmij's shareholders. In recent years, some of our shareholders have also indicated that they would appreciate an alignment through share ownership. At the same time, however, the Supervisory Board is well aware of the social debate concerning (free) share purchase and/or option schemes. In light of the above, the Supervisory Board has decided not to introduce a share bonus or option scheme, but instead discussed the introduction of voluntary share ownership guidelines with the members of the Executive Board. Members of the Executive Board have indicated that they are willing to voluntarily invest part of their value dependent cash bonus in (depository receipts for) Grontmij shares. Such investment could, over time and on a voluntary basis, run up to approximately one-year's fixed annual salary. Investing in (depository receipts for) Grontmij shares will take place within the rules and regulations for insider trading, as approved by the Supervisory Board.

Supervisory Board fairness review

The Supervisory Board retains the option of a so-called fairness review only on the variable remuneration related to individual targets. All other parts of the remuneration are fixed or related to pre-determined and assessable targets and based on Dutch labour law and the applicable labour contracts not subject to a fairness review.

Remuneration in 2009

Full details of remuneration in 2009 can be found on page 102 of the Annual Report 2009.

Remuneration policy for 2010 and beyond

The appointment and remuneration committee has reviewed the current policy and decided that no additions or changes to the policy are deemed necessary.