2020 Remuneration Policy for the Executive Board of Heijmans N.V.

Basic principles of the remuneration policy

Heijmans is a company with a healthy ambition. We want to contribute to creating a healthy living environment. Heijmans dares to set the bar high with respect to that, with a clear vision, in-depth knowledge and skill. And with a constant focus on improvement, the drive to make processes smarter and the social responsibility to make operations more sustainable. Our core values - result-orientation, ownership, collaboration - are common themes throughout the development of our business and determine how we fulfil this ambition.

The Executive Board of Heijmans sets out the strategy for this in dialogue with the Supervisory Board and guides the implementation of that strategy. This strategy - Better, Smarter, More Sustainable - creates value over the long term for all stakeholders inside and outside the business. And therefore also value for society as a whole. Whether this means sustainable homes, efficient building processes, the energy transition, mobility or vital cities and towns, or a substantial contribution to employment and the economy.

The playing field in which Heijmans finds itself is characterized by divergent stakeholder interests, fierce competition and market conditions that pose substantial risks for construction firms. Realizing the strategy in this context puts significant demands on the quality of the management. Attracting, retaining and motivating directors with the necessary leadership qualities, knowledge, experience and vision is therefore an essential condition for the company's success. This remuneration policy contributes to attracting, retaining and motivating these directors and therefore to the corporate strategy, the long-term interests and sustainability, taking into account the core values identified above.

Remuneration policy as strategic instrument

Heijmans seeks directors who have the capacities to lead the company, which is characterized by specific dynamics and project-based contract formation, and who are able to enable the team put together by the Executive Board to excel. The offer is supported by a remuneration package that is balanced and fair in two respects:

- From an internal perspective, in the sense that the remuneration reflects the required competencies and responsibilities as relative to the other job levels,
- From an external perspective, in the sense that the remuneration is comparable to the pay for a comparable board position at similar companies.

An internal reference point is determined by expressing the relationship between Executive Board pay and remuneration on other job levels as a ratio. To this end, an analysis was carried out, which shows that the salary structure at Heijmans is logically structured. This structure is also expressed in the so-called pay ratio that reflects the ratio between the average fixed agreed-upon remuneration of the Executive Board members and the fixed agreed-upon remuneration of the reference group made up of all Heijmans employees.
The remuneration on all levels, including that of the Executive Board, provides a good reflection of the job requirements and responsibilities.

An external reference point is determined using a reference group made up of Dutch listed companies active in construction or adjoining sectors or which have similar size and business dynamics.

The Supervisory Board includes both the internal and external reference points in its determination of the remuneration level.

Composition of remuneration package

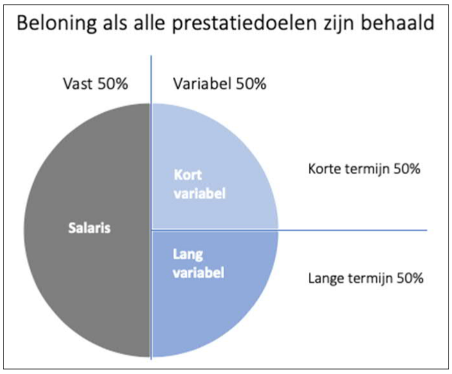
The remuneration package of the Executive Board members consists of the fixed remuneration, variable income to mark strategic objectives and to reward the achievement or exceeding of those objectives and the opportunity to participate in the Bonus Share Matching Plan. In addition, every director receives an expense allowance, a pension contribution and insurance contributions. Executive Board members are also provided with a lease car.

The fixed remuneration consists of:

- A fixed agreed-upon annual salary that reflects the responsibility of each director. The Executive Board operates as a team with a chairman who bears final responsibility and other members who, in addition to their own areas of responsibility, are also accountable for the overall end result;
- A contribution to the sectoral pension fund and the top-up scheme for the company pension fund or a fixed contribution for a self-arranged and managed pension scheme.

The variable remuneration consists of conditional allocations:

- In the short term, the variable remuneration on yearly basis, 50% of the fixed agreed-upon annual salary if the predetermined performance objectives have been achieved in the relevant year. If the objectives have been exceeded, the payment can run up to maximum 75% of the fixed agreed-upon annual salary. If the performance remains below a predetermined minimum level, the payment is zero;
- In the long term, the long-term variable remuneration, 50% of the fixed agreed-upon annual salary if the predetermined performance objectives have been achieved over a three-year period. Here, too, a maximum of 75% applies for performance in excess of the objective and zero for performance below the minimum level.



Performance objectives

The definitive granting of variable remuneration depends on the degree to which predetermined objectives have been realized. These objectives have been derived directly from the strategy and the strategic goals stipulated therein.

- The variable remuneration in the short term depends for 50% on financial objectives which, in the given circumstances of the company and market, are the most relevant for enabling realization of the strategy. These objectives can be chosen from the following list:
  - underlying EBITDA
  - (free) cash flow
  - average net debt / solvency on basis of capital base
  - generating contracts with a good margin.

  The other half of the variable remuneration is determined by non-financial goals which lay down the expectations for each individual director's qualitative performance in concrete terms. Objectives can be chosen from the following:
  - implementation of specific parts of the strategic pillars Better, Smarter, More Sustainable
  - safety, measured by the IF figure
  - employee health, measured by the sickness absence rate
  - reduction in CO_2 emissions.

- The long-term variable remuneration is fully focused on realizing strategic goals and long-term value creation. Objectives are 50% financial in nature and focused on the envisioned acceleration in the development of the business. Objectives can be chosen from the list below:
    - earning per share
    - solvency
    - underlying EBITA level
    - optimization of the company's financing.

  The other half is determined by personal objectives that have been derived from the Better, Smarter, More Sustainable strategy.

In advance of or no later than within two months after the start of the performance period, the Supervisory Board decides the at-target required performance level for each objective on which the variable remuneration allocated can be fully paid out. The Supervisory Board also decides in advance the minimum level that entitles the individual to partial payment and the level that entitles the individual to the maximum payment. The payment at levels in between is linear.
The degree to which objectives are achieved is determined by the Supervisory Board partly with reference to the KPIs, dashboards and the usual management reports.
Both the short and long-term variable remuneration is paid out in cash, no earlier than in the month following the month in which the annual accounts are adopted.

Additional conditions for the allocation of variable remuneration
The allocation of variable annual remuneration is conditional if the company suffers a net loss in the year for which the remuneration has been allocated. If the result in the next year or the year subsequent to that is positive and above a certain level determined by the Supervisory Board, the variable remuneration becomes unconditional. If not, the entitlement to the variable remuneration for the particular year lapses.

The Supervisory Board has the right to finally review every allocation of variable remuneration for reasonableness. In exceptional circumstances in particular, the outcomes could be unfair or unreasonable and the Supervisory Board may adjust the allocation. Adjustment is reported in the remuneration report, along with the reasons for it. The remuneration report is subject to the advisory vote of the Annual General Meeting of Shareholders (AGM).

The entire variable remuneration is subject to a claw-back clause that provides that variable remuneration allocated can be reclaimed if it subsequently emerges to have been granted on the basis of incorrect information.

Participation in the company's capital
Members of the Executive Board are free to choose to participate in the Bonus Investment Share Matching Plan. This part of the remuneration, aimed at motivating directors for the longer term and binding them to the company, contributes to the corporate strategy, the long-term interests and sustainability, taking into account Heijmans' core values.
As part of this plan, directors can invest 10% to 50% of (the net equivalent of) the short-term variable remuneration they receive in any given year in shares or depositary receipts for shares in Heijmans. Provided they hold these depositary receipts for shares for three years and are still in office at the end of this period, the company will allocate one bonus depositary receipt, a so-called matching share, for every depositary receipt invested in. The matching shares are blocked for two years after allocation.
If the director resigns from his board position within the three years after purchasing the depositary receipts for shares, the right to bonus depositary receipts lapses, except in the event of retirement, death or if the director leaves the company by agreement after his appointment term has expired. In the last three cases, the matching share is vested immediately.

Agreement with directors
After appointment by the Supervisory Board, members of Heijmans' Executive Board are appointed on the basis of a contract for services for, in principle, four years. After that period has expired, reappointment is possible after notice of this has been given to the AGM (in accordance with Heijmans' Articles of Association). The contract can be terminated in the interim with a mutual notice period of three months.

The employment terms of every director are set based on this remuneration policy. The key terms, including any deviations from or supplements to the policy, are published together with the agenda for the AGM in which the proposed appointment is set out.
In the event of dismissal before the end of the appointment period, compensation of at most one time the fixed agreed-upon annual salary can be granted. The dismissal compensation does not apply if the contract is terminated at the director's initiative or if the director has acted seriously culpably or negligently. The contract for services includes a change of control clause on grounds of which the director can, under certain conditions, be eligible for compensation of maximum one time the fixed agreed-upon annual salary.

Decision-making process
The decision making on adoption, review and implementation of the remuneration policy takes place in accordance with the way in which decision making has been laid down in the Remuneration Committee's regulations and Supervisory Board's regulations. The Remuneration Committee prepares a proposal for the adoption, review and implementation of the remuneration policy for the decision making by the plenary Supervisory Board. Part of the process prior to the decision making involves consulting important shareholders, including the Heijmans Share Administration Trust, and seeking advice from the Works Council. The Supervisory Board takes into account the shareholders' view and the Works Council's advice in its considerations culminating in the decision making. At the Supervisory Board's proposal, the AGM will be asked to adopt the (revised) remuneration policy at least once every four years. As concerns the implementation of the remuneration policy, the Supervisory Board submits the remuneration report to the AGM annually for discussion and for the purposes of an advisory vote.

The Supervisory Board can decide to temporarily deviate from certain parts of this policy in order to benefit the long-term interests and sustainability of the company as a whole or guarantee its viability. In such exceptional circumstances, the Supervisory Board will give notice of the deviation without delay and explain and account for it after the fact.

Continuity of policy
The main points of this remuneration policy have remained unchanged with respect to the policy pursued since 2010 and which the AGM approved by a vote in April of that year.
The most important changes include a better explanation of the strategic function of the policy and how it contributes to value creation in the long term, improved insight into the objectives for variable remuneration and further clauses governing the discretionary powers of the Supervisory Board.

The Supervisory Board notes that the remuneration policy has worked satisfactorily over the past several years:

- From the internal perspective, the remuneration level is both balanced and adequately competitive compared to that for similar positions at comparable companies;
- The remuneration proves adequate to attract and retain qualified directors and to encourage internal talent development up to even the highest levels;
- The pay structure is balanced with - at target - a balance between fixed and variable remuneration and within that variable remuneration, a balance between short and long term;
- A scenario analysis of this pay package demonstrates that it does not result in unpredictable or excessive outcomes;

- The allocation of variable remuneration has kept pace over the past decade with the development of the business, with no payments or hardly any payments when hardly any strategic progress or value creation could be realized in recession years and a resumption of payments now that the corporate performance envisioned can indeed be realized.

Support for the policy

In its evaluation of the remuneration policy pursued and the formulation of the policy proposed as of 2020, the Supervisory Board included the following:

- The view of the current Executive Board members on the height and structure of their own remuneration and their positive assessment of that in the light of the internal pay ratios;
- The input and positive advice from the Works Council;
- The view of depositary receipt holders and their representatives on the policy in place since 2010, on which the key shareholders and Heijmans Share Administration Trust were consulted in the preparations for the new policy;
- The interest of all stakeholders;
- The provisions of the 2016 Corporate Governance Code and the Guideline to promote long-term shareholder commitment (SRD II) as these apply in the Netherlands as of 1 December 2019 by way of provisions contained in Book 2 of the Dutch Civil Code.

The Supervisory Board feels that as such, it has adequately taken into account social support for the remuneration policy.

Approval and validity of the policy

This remuneration policy, accompanied by the advice from Heijmans' Works Council, was submitted to the AGM on 15 April 2020, was approved by a majority of […%] of the votes in attendance at the meeting and was immediately published on the website. The remuneration policy applies from 15 April 2020 therefore.
This policy will be in force for at most four years and a proposal for a successive remuneration policy will be presented to the AGM in 2024 at the latest, where a majority of at least 75% of the votes in attendance at the meeting will be required for its approval.