ARCADIS N.V. REMUNERATION POLICY EXECUTIVE BOARD

Objectives

The remuneration policy for members of the Executive Board of Arcadis N.V. (‘**Arcadis**’ or the ‘**Company**’) should serve to attract, motivate and retain international executives of the highest caliber in order to deliver our ambitious business strategy. The remuneration policy aims to support the business strategy of Arcadis. It further enhances the link between pay and performance and aligns the interests of the members of the Executive Board with the long-term interests of Arcadis and the interests of shareholders. This is done by linking the performance criteria of the short-term and long-term variable remuneration to the strategy of the Company and by stimulating share ownership of the members of the Executive Board. In doing so, Arcadis adopts the highest standards of good corporate governance.

Remuneration elements

The remuneration policy for the members of the Executive Board consists of four elements: fixed compensation, a short-term variable remuneration, a long-term variable remuneration and other benefits such as a pension scheme.

Labor market reference

Arcadis has developed from a multi-local to the leading international natural and built asset design and consultancy company. In order to align with Arcadis’ size (in terms of revenues, average market capitalization, total assets and number of FTE), geographic and industry scope, and labor market competition, two reference groups are defined[1]. The first group focuses on Dutch headquartered companies with significant international activities. The second group consists mainly of global industry peers:

Dutch headquartered companies with significant international activities	Global industry peer companies
Randstad (NL)	AECOM (US)
AkzoNobel (NL)	Jacobs Engineering (US)
DSM (NL)	CBRE (US)
BAM (NL)	Amec Foster Wheeler (UK)
KPN (NL)	SNC Lavalin (CAN)
Wolters Kluwer (NL)	Worley Parsons (AUS)
PostNL (NL)	Jones Lang LaSalle (USA)
Boskalis (NL)	WSP Global (CAN)
SBM Offshore (NL)	Wood Group (UK)
Aalberts Industries (NL)	Stantec (CAN)
Fugro (NL)	Tetra Tech (USA)
Refresco (NL)	Sweco (S)
Vopak (NL)	Cardno (AUS)
TKH Group (NL)	RSP Group (UK)
Brunel (NL)	Hill International (USA)
TomTom (NL)	Pöyry (FIN)

[1] Changes to the two reference groups may be required from time to time e.g. following mergers or acquisitions in which one or more companies in the reference groups are involved.

In both groups[2], Arcadis is positioned around the median in terms of the average of the afore mentioned parameters revenues, average market capitalization, total assets and number of FTE.

The remuneration policy aims at Total Direct Compensation levels (the sum of fixed compensation, short-term variable remuneration and long-term variable remuneration) around the median of the levels defined by both reference groups, whereby alignment with Dutch headquartered companies is primary and alignment with the global reference group secondary.

Total compensation

The relative proportion of the fixed and the variable compensation components[3] of the members of the Executive Board is as follows:

	Fixed	Short Term Variable	Long Term Variable	Total
Chief Executive Officer	39%	19%	42%	100%
Chief Financial Officer	40%	20%	40%	100%

The compensation has a relatively strong focus on long-term variable remuneration, which reflects the importance of alignment with the long-term strategy of the Company.

Fixed compensation

The annual fixed compensation of members of the Executive Board is as follows:

	Fixed compensation
Chief Executive Officer	€ 660,000
Chief Financial Officer	€ 475,000

Fixed compensation levels can be adjusted with a maximum of 3% per annum, to be decided upon by the Supervisory Board, based on general market movement and inflation figures.

Short-term variable remuneration

The short-term variable remuneration ranges from 0% to 85% of the fixed compensation, with 50% being the target. The short-term variable remuneration is payable in cash. The payment is made in March, the year following the year of review.

Performance criteria

In order to support the Company's strategy, the criteria for the short-term variable remuneration are based on the three pillars of the strategy and are partly financial and partly non-financial. The financially driven criteria determine 60% and reflect the financial priorities of the Company. They support the pillars of the strategy relating to Focus & Performance and Innovation & Growth. The remaining 40% support the People & Culture pillar.

[2] The Labor Market Reference assessment was executed Mid 2016.

[3] Percentages mentioned are based on target realization.

The criteria for the members of the Executive Board are:

Strategic pillar	Criteria	Weight
Focus & Performance	reported EBITA %[4]	20%
Focus & Performance	free cash flow[5]	20%
Innovation & Growth	organic growth (revenue) %[6]	20%
People & Culture	voluntary turnover rate[7]	20%
People & Culture	role modeling leadership behavior[8]	20%
Total		**100%**

The targets (threshold, target and maximum) for each of the performance criteria will be pre-set annually by the Supervisory Board by reference to the plan for the respective year, and in light of the strategic aspirations of the Company. No pay out will be made for below threshold performance. All short-term variable remuneration criteria allow for rewarding strong performance.

The Supervisory Board has the discretion to make adjustments, for example to account for events that were not planned when targets were set or were outside of management's control.

Long-term variable remuneration

The long-term variable remuneration serves to align the interests of the members of the Executive Board with long-term interests of the Company and its shareholders. Members of the Executive Board annually receive conditional performance shares in principle on the ex-dividend date after the Annual General Meeting of the Company. The conditional performance shares vest after three years and are subject to achievement of set performance criteria over three financial years. In addition, the shares must be held for two more years.

Size of award

The size of the LTI award is defined as a percentage of fixed remuneration, with the actual grant being determined by this percentage and the applicable Volume Weighted Average Price ("**VWAP**")[9].

The following percentages apply:

Chief Executive Officer	110%
Chief Financial Officer	100%

The maximum opportunity for the long-term variable pay shall not exceed 165% of the on-target pay.

4 Reported EBITA %: Earnings Before Interest, Taxes, Depreciation and Amortization, divided by impairment of goodwill and/or identifiable assets.

5 Free cash flow: Cash flow from operating activities minus (dis)(in)vestments in (in)tangible assets.

6 Organic revenue growth (revenue) %: Year-on-year Net revenue change minus contributions from acquisitions in that period plus contributions of divestments in the previous period, minus exchange rate differences, and adjusted, if applicable, for non-recurring items.

7 Voluntary Turnover Rate: Voluntary termination of permanent employees divided by the average number of permanent employees during a 12-month period (January – December). A termination is voluntary when the decision for termination is made by the employee.

8 Role modeling leadership behavior: assessment of performance of the individual Executive Board members towards the identity, mission and values of the Company, using a standardized score card/matrix as determined by the Supervisory Board.

9 The number of conditional performance shares to be granted is based on the Volume Weighted Average Share Price ("**VWAP**") of ordinary Arcadis NV shares with a nominal value of EUR 0.02 per share of a 30-day period starting on the day of the publication of the annual results of the year preceding the grant year.

Performance criteria LTI

In order to support the three pillars of the strategy, the long-term interests and continuity of the Company, the performance criteria are:

Performance Indicator	Weight
Total Shareholder Return	33.33%
Earnings Per Share	33.33%
Sustainability	33.33%
Total	**100%**

Performance criterion 1: Total Shareholder Return

To determine the achievement of this performance criterion, the relative Total Shareholder Return ("**TSR**") is measured, which is defined as share price movements including dividends, assuming dividends are reinvested.

The TSR performance of Arcadis is measured against the performance of direct competitors. The TSR peer group is as follows[10]:

TSR peer group
Arcadis (NL)
AECOM (USA)
Cardno (AUS)
Hill International (USA)
Jacobs Engineering (USA)
AF Pöyry (FIN)
RPS Group (UK)
SNC-Lavalin (CAN)
Sweco (Sw)
Tetra Tech (USA)
Stantec (CAN)
Wood Group (UK)
Worley Parsons (AUS)
WSP Global (CAN)

The position of Arcadis in the TSR peer group, after three years[11], determines the final score for this criterion in accordance with the following performance incentive zone:

Ranking	14-8	7	6	5	4	3	2	1
Vesting	0%	50 %	75%	100%	125%	150%	175%	200%

The position of Arcadis in the ranking will define the vesting for this part of the conditional grant.

10 Changes to the peer group may be required from time to time e.g. following mergers or acquisitions in which one or more peer companies are involved

11 The TSR performance is measured by using the average performance in the three months before the start of the performance period and the average performance over the last three months of the performance period.

Performance Criterion 2: Earnings Per Share
Earnings Per Share ("**EPS**") is calculated by applying the simple point-to-point[12] method at the end of the period. EPS is disclosed in our Consolidated Financial Statements (in our Annual Integrated Report) and is calculated by dividing the Net income from operations by the weighted average number of shares outstanding during the period, excluding ordinary shares purchased by the Company and held as treasury shares (i.e. shares purchased to cover share/option plans). Earnings are adjusted for changes in accounting principles during the performance period.

The Supervisory Board has the discretion to include other adjustments, for example, to account for events that were not planned when targets were set or were outside of management's control.

The EPS growth target, threshold and maximum are set annually by the Supervisory Board. Given that these targets are considered to be commercially sensitive, EPS targets and the achieved performance are published in the Annual Report after the relevant performance period.

The following performance incentive zones will be used to define the vesting for this part of the conditional grant:

EPS	**< Threshold**	**Threshold**	**Target**	**Maximum**
Vesting (of conditional grant)	0	50%	100%	150%

Performance Criterion 3: Sustainability (Sustainalytics score (ESG))
The sustainability target will be measured by reference to the score applied to the Company by Sustainalytics, a leading independent global ESG ratings firm which provides a robust analytical framework that addresses a broad range of Environmental, Social and Governmental ("**ESG**") issues and trends that have a significant and material impact on industries and companies. Sustainalytics analyzes and rates the performance of companies across 42 different peer groups (comparable to sub-industries). The analysis is made by looking at and weighting the core and sector specific metrics to determine the overall ESG performance.

Arcadis has the ambition to move from its current position as outperformer to a leader position. The Supervisory Board will set an ESG target that is aligned with this ambition.

The target, threshold and maximum score will be set by the Supervisory Board each year for the 3-year period and disclosed in the Annual Report of the year the target scores are set.

The following performance incentive zones will be used to define the vesting for this part of the conditional grant:

Sustainalytics score	**< Threshold**	**Threshold**	**Target**	**Maximum**
Vesting	0	50%	100%	150%

The actual results of Arcadis compared with the performance incentive zones for both EPS and Sustainalytics will define the vesting.

Share ownership guidelines

One of the aims of the remuneration policy is to increase alignment with the interests of the shareholders by stimulating share ownership. The members of the Executive Board have to retain the shares awarded under the short-term and long-term variable remuneration for a period of at least five years from the grant date, while allowing part of the shares to be sold to cover taxes due on the

[12] % growth from t_0 to t_x, divided by # years.

date of vesting, if any. Furthermore, members of the Executive Board must hold shares in the Company with a value[13] equal to 250% of fixed compensation for the Chief Executive Officer, 150% of fixed compensation for the Chief Financial Officer, for which a build-up period of five years applies. All shares obtained by means of remuneration are held until the required ownership level is reached.

Policy in case of a take over

In the event of a takeover of Arcadis, the treatment of shares (and options) granted to the Executive Board (and other senior staff) will be determined by the Supervisory Board, upon advice by the Remuneration Committee, taking into account the share price in the period preceding the disclosure of an offer, as well as all other relevant circumstances at that moment. This means that the exercise price of outstanding options and the number of unvested conditional shares can be adjusted to correct for (part of) the increase in share price caused by the offer.
Unvested shares and options will vest proportionally to the number of months of the three-year vesting period that elapsed since the grant date.

Other benefits

In line with best practice, the Company provides benefits which the Supervisory Board considers appropriate for a global Company which needs to attract and retain Executive Board members from different parts of the world. Any benefits provided will be reported in the Remuneration Report.

If a new Executive Board member is recruited from abroad, the Company's mobility policy may apply. Such policy includes various benefits in relation to a potential relocation of the Executive Board member, such as housing, schooling and relocation support.

Furthermore, the members of the Executive Board participate in the Dutch Arcadis Pension Scheme. This pension scheme provides for pension accrual according to a Collective Defined Contribution method up to the statutory salary maximum. For the salary above this statutory maximum, a compensation is provided. In line with the pension scheme, the Company pays 73% and the Executive Board member pays 27% of the total pension contribution.

Severance compensation: in line with the Dutch Corporate Governance Code, severance compensation is maximized at one-year gross annual fixed compensation (so excluding variable remuneration and other elements such as expense allowance and pension contributions). In accordance with the Dutch Corporate Governance Code, severance compensation will not be awarded if the Executive Board membership and/or the management agreement is terminated early at the initiative of the Executive Board member, or in the event of seriously culpable or negligent behavior on the part of the Executive Board member. Existing ultimum remedium and claw back clauses in Management Contracts with Members of the Executive Board are in line with the applicable legislation and the Dutch Corporate Governance Code.

Management agreements of members of the Executive Board in principle have a duration of four years with a notice period of three months for the Company and three months for the Executive Board member.

Adoption, revision of and deviation from this Policy

Adoption / revision

The Arcadis Remuneration Committee submits a proposal for the remuneration policy to the Supervisory Board (such policy to be adopted by the General Meeting).

In their preparation of the remuneration policy, the Remuneration Committee takes into careful consideration the Company's identity, mission and values, the level of support of society, the CEO pay

[13] To determine the number of shares to be held by each EB member, the following calculation is made:
a) the relevant multiple of the EB member's base salary at the annual shareholder meeting in May 2014, or the shareholder meeting after that date in which the EB member is appointed; divided by
b) the Volume Weighted Average Price of the Arcadis share during the five trading days after the May 2014 annual shareholder meeting, or the shareholder meeting after that date in which the EB member is appointed (whichever is applicable).

ratio[14] and salary and employment conditions of the Company's employees. The Remuneration Committee tracks how the pay ratio changes on an annual basis and takes this into consideration when reviewing Executive Board remuneration levels.

The Company's identity, mission and values are translated into the short-term incentive targets. The level of support of society for the remuneration policy was assessed by means of a stakeholder analysis, which looks at the opinions of clients, suppliers, shareholders and investors, employees and relevant non-governmental organizations.

The Remuneration Committee also takes into consideration the compensation and benefits of the employees of the Company. This is done by means of a benchmark using the internal grading system and related compensation schemes, which are structured in a systematic manner, supported by external consultants.

The Remuneration Committee considers the view of the members of the Executive Board in its decision to adjust the remuneration policy. The votes and views of shareholders with respect to the remuneration policy and the remuneration report since the most recent vote on these topics in the General Meeting are also considered.

In order to validate the proposed remuneration policy for the Executive Board, the Remuneration Committee performs a scenario analysis. The remuneration policy for members of the Executive Board of Arcadis is, in principle, reviewed every two years by the Remuneration Committee at the instruction of the Supervisory Board.

If the General Meeting does not approve any proposed amendments to the remuneration policy, the Company shall continue to remunerate in accordance with the existing approved remuneration policy and shall submit a revised policy for approval at the subsequent General Meeting.

Deviation

In exceptional circumstances only, the Supervisory Board, as advised by the Remuneration Committee, may decide to temporarily deviate from this policy. Exceptional circumstances are only those situations in which deviation from the remuneration policy is necessary to serve the long-term interests and continuity of Arcadis. This includes the situation where a new Executive Board member is recruited from an external company. In such case, a one-off sign-on grant up to a maximum 200% of their annual LTI award under this policy is permitted as compensation for loss of long-term incentive value at their previous company.

In addition, if a new Executive Board member is recruited from abroad, the Company's mobility policy may apply. Such policy includes various benefits in relation to a potential relocation of the Executive Board member, such as housing, schooling and relocation support.

The remuneration policy was adopted by the General Meeting in May 2005 and last amended in May 2020 to align with the Dutch implementation legislation of the European Shareholder Rights Directive.

[14] The CEO pay ratio is calculated by dividing the total CEO compensation by the average employee compensation within the Arcadis organization, as disclosed in the annual financial statements. Average employee compensation is based on total personnel costs and the average number of full-time employees over two years.