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 to deliver our ambitious business strategy.

The Executive Board ('EB') remuneration policy acknowledges the internal and external context as well as our business needs and long-term strategy. The remuneration policy is designed to encourage behavior that is focused on long-term value creation, the long-term interests and sustainability of the Company, while adopting the highest standards of good corporate governance.

The remuneration policy further enhances the link between pay and performance by defining performance criteria which are directly linked to achieving our business strategy. The criteria performance criteria, a combination of financial and non-financial criteria, determine the short-term and long-term variable compensation of the members of the Executive Board. In addition, the remuneration policy aligns the interests of the members of the Executive Board with the long-term interests of Arcadis and the interests of shareholders by stimulating share ownership of the members of
the Executive Board.

Remuneration elements
The remuneration policy for the members of the Executive Board consists of four elements: annual base salary, short-term variable compensation, long-term variable compensation and other benefits such as pension.

Labor market reference group
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, a labor market reference group has been defined[1]. The reference group consists of Dutch headquartered companies with significant international activities, supplemented by global industry peers, as presented below.

Dutch headquartered companies with significant international activities	Global industry peer companies
Aalberts Industries	AF Pöyry (FIN)
AkzoNobel	RPS Group (UK)
ASM International	SNC Lavalin (CAN)
BAM	Stantec (CAN)
Boskalis	Sweco (Sw)
DSM	WSP Global (CAN)
Fugro	
SBM Offshore	
TKH Group	
Vopak	

Within this group, Arcadis positions around the median in terms of the average of the aforementioned parameters revenues, average market capitalization, total assets and number of FTE.

The EB remuneration policy aims at total direct compensation levels (the sum of base salary, short-term variable compensation and long-term variable compensation) around the median of the levels of this reference group.

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

Total direct compensation

The relative proportion of the annual base salary and the short-term and long-term variable compensation components[2] 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 compensation, which reflects the importance of alignment with the long-term strategy and long-term value creation of the Company and with shareholder interests.

Base salary

The Supervisory Board determines the base salaries of the members of the Executive Board[3] on an annual basis. The Supervisory Board determines the base salaries based on benchmarking against the labor market reference group, market movements, salary increases of employees and other considerations as are deemed appropriate. The increase of base salaries of the members of the Executive Board will not exceed the average increase for employees, unless the benchmarking exercise indicates differently.

The actual base salaries and any salary increase will be disclosed in Q1 of the relevant year, in the remuneration report relating to the previous financial year.

Short-term variable compensation

The short-term variable compensation serves to incentivize the Executive Board for meeting short-term performance criteria. The short- term variable compensation is a percentage of base salary and ranges from 0% to 85% of the annual base salary, with 50% being the target. The short-term variable compensation is payable in cash. The payment is made in March, the year following the performance year.

No pay out will be made in case none of the performance criteria meet the threshold target. Pay out for performance between threshold and target and between target and maximum is based on a linear calculation approach. All short-term variable compensation criteria allow for rewarding strong performance.

Performance criteria STI

To support the Company's strategy, the criteria for the short-term variable compensation are based on the strategy and are partly financial and partly non-financial. Based on the annual priorities of the Company, the Supervisory Board determines the performance criteria applicable to the short-term variable compensation in their meeting prior to the performance year.

The Supervisory Board will select from the following performance criteria:

1) Financial criteria (minimum 60% weighting):
- Profit / Margin
- Revenue / Growth
- Cash Flow
- Capital return measures (such as ROA, ROE, ROIC)
- Economic / Market value added measures.

2) Non-financial criteria:
- Customer results (e.g. net promotor score)
- People & organization (e.g. voluntary turnover, employee engagement)
- Sustainability (e.g. carbon footprint reduction)
- Individual non-financial criterion (e.g. measuring the success of the implementation of the strategy)

The targets (threshold, target and maximum) for each of the performance criteria will be determined annually by the Supervisory Board by reference to the business plan for the respective year and considering the strategic aspirations of the Company.

The selected performance criteria will be disclosed in Q1 of the relevant performance year, in the remuneration report relating to the previous year.

The actual realization on each of the criteria will be reported in the remuneration report relating to the relevant performance year. No payout will be made for meeting a performance criterion in case the performance does not meet the threshold target.

2 Percentages mentioned are the on-target levels.
3 For 2021, the base salary of the CEO is € 660,000 and the base salary of the CFO is € 475,000.

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. In case discretion has been applied, this will be disclosed in the annual remuneration report.

Long-term variable compensation

The long-term variable compensation 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 annual base salary, with the actual grant being determined by this percentage and the applicable Volume Weighted Average Price ("VWAP"). The applicable VWAP will be disclosed in the annual remuneration report.[4]

The following percentages (as % of base salary) apply:

	Target	Maximum
Chief Executive Officer	110%	185.5% [5]
Chief Financial Officer	100%	165%

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

Performance criteria LTI

To support the strategy, the long-term interests and continuity of the Company as well as the shareholder interests, the performance criteria are:

Criterion	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[6]:

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

The position of Arcadis in the TSR peer group, after three years[7] 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 ranking of Arcadis will define the vesting for this part of the conditional grant.

Performance criterion 2: Earnings Per Share

Earnings Per Share ("EPS") is calculated by applying the simple point-to-point[8] 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.

4 For 2021, no change to the VWAP is proposed, i.e. the number of conditional performance shares to be granted shall be based on the VWAP of ordinary Arcadis N.V. 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.

5 181,5% = 165% (maximum) * 110% (target).

6 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.

7 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.

8 % growth from t0 to tx, divided by # years.

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 these targets are considered to be commercially sensitive, EPS targets and the achieved performance are published in the remuneration 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%

Pay out for performance between the performance incentive zones is based on a linear calculation approach.

Performance criterion 3: Sustainability
An important part of the strategy of the Company is to create impact through sustainable solutions. The strategy is to embed sustainability across everything we do and apply a laser-like focus to solutions that enable our clients to be more resilient, future proof and secure.

The field of Sustainability is in continuous development. To measure progress on this performance criterion, the Supervisory Board will select a best-in-class measurement method.[9] The measurement method selected should be externally validated and should align with the strategy to create impact through sustainable solutions. The measurement method selected will be disclosed in Q1 of the start of the relevant performance period, in the remuneration report with respect to the previous year.

The actual realization on each of the LTI performance criteria will be reported in the remuneration report relating to the year at the end of the relevant performance period.

The Supervisory Board will set a target, threshold and maximum score each year for the 3-year period.

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

Sustainability score	< Threshold	Threshold	Target	Maximum
Vesting	0	50%	100%	150%

Pay out for performance between the performance incentive zones is based on a linear calculation approach.

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.

Arcadis does not provide loans to members of the Executive Board.

Management agreements
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.

Share ownership guidelines
One of the aims of the EB remuneration policy is to increase alignment with the interests of the shareholders by stimulating share ownership. The members of the Executive Board must retain the shares awarded under the long-term variable compensation 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 date of vesting, if any. Furthermore, members of the Executive Board must hold shares in the Company with a value[10] equal to 250% of annual base salary for the Chief Executive Officer, 150% of annual base salary for the Chief Financial Officer, for which a build-up period of five years applies. All shares obtained by means of compensation are held until the required ownership level is reached.

9 For performance year 2021, the Supervisory Board selected the Sustainalytics score (ESG risk). Sustainalytics is a leading independent global Environmental, Social and Governmental ("ESG") ratings firm which provides a robust analytical framework that addresses a broad range of ESG issues and trends that have a significant and material impact on industries and companies

10 To determine the number of shares to be held by each Executive Board member, the following calculation is made:
a) the relevant multiple of the Executive Board member's base salary at the shareholder meeting in which the Executive Board member is appointed; divided by
b) the Volume Weighted Average Price of the Arcadis share during the five trading days after the shareholder meeting in which the Executive Board member is appointed.

Policy in case of change in control

In the event of a change in control 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, considering 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.

Severance arrangements

In line with the Dutch Corporate Governance Code, severance compensation is maximized at one-year gross annual base salary (so excluding variable compensation 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.

Claw-back

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.

The claw-back arrangement with the members of the Executive Board concerns the possibility (i) to revise variable compensation prior to payment, if unaltered payment of the variable compensation would be unreasonable and unfair, and (ii) to reclaim variable compensation if payment took place on the basis of incorrect information on the fulfilment of the performance criteria or the conditions for payment of the variable remuneration.

Adoption, revision of and deviation from this policy

Adoption / revision

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

In their preparation of the EB 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 ratio[11] 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 compensation 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 annual General Meeting are also considered.

To validate the proposed EB 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 EB 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, upon advice of the Remuneration Committee, may decide to temporarily deviate from this policy. Exceptional circumstances are only those situations in which deviation from the EB 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.

The EB remuneration policy was adopted by the General Meeting in May 2005 and last amended in April 2021.

[11] 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.