

**To** Wim Bloks (bestuurder OR Westerlaan)  
**C c** Annette Huiberts

**From** Ondernemingsraad Vopak Westerlaan, OR\_WLN\_2020-001

**subject / your reference** Remuneration Policy for the Executive Board & Supervisory Board

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Rotterdam  
February 3, 2020

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Dear Mr. Bloks, Dear Wim,

Following up on our meeting of January 27 in which you provided context and details to your Request for Advice and the formal Request itself (dated January 28, 2020), to provide feedback on the Remuneration Policy for the Executive Board and Supervisory Board, the Works Council of Koninklijke Vopak (Works Council) would like to inform you as follows.

The Works Council supports the structure of the Remuneration Policy for the Executive Board, consisting of a mix of components: a base salary, a short term (STIP) and long term (LTIP) compensation.

The Works Council supports the introduction of a sliding scale for the Cost component of the STIP. In this way it remains -from a personal incentive- beneficial to improve cost levels also below target.

The benchmark process applied to determine appropriate changes have been explained to and discussed with The Works Council. In this respect the Works Council doesn't object against the proposed increase for the LTSP (LTIP).

Consistency in Remuneration (policy) within Vopak is considered highly important by the Works Council. Currently this structure, and the criteria to determine the compensation for every component, is applied for every Hay employee (senior management up to trainee); pending Hay grade components may not be applicable. The Works Council recommends to maintain this alignment given the (small) changes in the proposed STIP and LTIP for the Executive Board. Therefore we propose to consider making the same type of changes for all other Hay rated Vopak employees and to take relevant benchmarks into consideration.

The Works Council supports the LTSP. A three year horizon is in this respect a limited period for strategic direction, although the Works Council recognizes, given the appointment period for EB members, a longer period is not realistic.

The implementation and evaluation of accomplishments during this period, as part of the strategic agenda, is considered of high importance by the Works Council. Long term strategy implementation, especially in Vopak's line of business, requires a (much) longer timespan than three years. In this

respect setting the strategic agenda and (rewarding the contribution in) realizing this agenda is essential for Vopak to remain relevant for society.

The Works Council would like to state it supports the structure and (potential) level/amounts of remuneration of the Executive Board in relationship to the salary/remuneration levels within Vopak (Netherlands) as a whole.

With regards to the Remuneration Policy of the Supervisory Board, the Works Council is of the opinion an in depth benchmark and alignment of compensation (changes) within Vopak should be the basis for (changes of) this Policy. The current Policy provides this basis (ref. "External Competitiveness").

In addition the Works Council supports the fixed compensation structure for the Supervisory Board and not a performance based compensation.

After the "REMCO" meeting of January 29, the Works Council was informed that the paragraph "Exceptional Circumstances" has been removed from both the Supervisory and Executive Board Remuneration Policy. The Works Council doesn't object against these changes.

Kind regards,

Maarten de Raad, chairman

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