Vopak Executive Board Remuneration Policy

Contents

INTRODUCTION

This Executive Board remuneration policy (the 'policy') outlines the terms and conditions for the remuneration of the members of the Executive Board of Koninklijke Vopak N.V. (Vopak). This policy replaces the Executive Board remuneration policy approved by the General Meeting held on April 21, 2020. It will be submitted for approval by the General Meeting for approval to be held on April 26, 2023. Upon approval, It will be implemented as of January 1, 2023.

The Supervisory Board considers the design of this remuneration policy in line with the company's purpose, business strategy and business environment, applicable laws and regulations, as well as the views of its stakeholders and society at large.

The Supervisory Board ensures transparency by disclosing the Executive Board remuneration policy in the company's Annual Report (in the Remuneration Report section), and on the company's website. Furthermore, in the Remuneration report section of the company's Annual Report, the application of the policy in the financial year at hand is set out in detail.

GOVERNANCE

Proposals for the Executive Board remuneration policy, including remuneration provided to individual Executive Board members, are determined by the Supervisory Board, based on recommendations of the Remuneration Committee - which is supported by internal and external independent specialists -, before putting these forward to the Annual General meeting for approval. Decisions on the Executive Board remuneration policy and the remuneration of individual Executive Board members are made in the absence of the Executive Board.

In case of material alterations and/ or revisions to this policy, these are put forward to the General Meeting for approval. If the policy remains unaltered during a period of four years from the last General Meeting approval, it will be put forward to the General Meeting for confirmation of approval.

Changes in the Vopak Netherlands benefits and emoluments policies, plans and/ or arrangements applicable to all Vopak non-CLA staff, and for which Executive Board members are also eligible, follow the regular legal and company governance processes for such changes. In case a change in any of these policies, plans and/ or arrangements would affect the entitlements of Executive Board members under these policies, such changes are not subject to the approval of the General Meeting.

Policy review

The Executive Board remuneration policy is evaluated for revision by the Supervisory Board on a regular basis and at least every four years. The Remuneration Committee advises the Supervisory Board on these policies and individual remuneration packages, as well as any changes thereto.

The Supervisory Board reviewed this policy during 2022. During this review, it took into account the following factors:

- the company's Shaping the future strategy introduced in June 2022;
- the voting result for the 2021 Remuneration Report from the General Meeting in April 2022 (71.70% in favor);
- the feedback of investors, shareholders and proxy advisors on the current Executive Board remuneration policy, and the company's disclosure of Board remuneration in the 2021 Remuneration Report;
- the formal advice of the works council of Vopak;
- the 2022 Executive Board remuneration benchmarks against the company's peer group, as provided by the independent advisor to the Remuneration Committee, WillisTowersWatson;

- the General Meeting's response to proposals for the Executive Board remuneration policy and any changes thereto in previous years which have consistently been adopted with approval rates exceeding 95%;
- the Dutch Corporate Governance Code.

A new financial framework was put in place during 2022 that supports the Shaping the future strategy, in which Free Cash Flow is now identified as the leading financial indicator to measure the company's performance. EBITDA, Operating Capex, Growth Capex, and Operating Cash Return are the key annual and longer-term metrics in Vopak's financial framework going forward that measure our ability to generate the cash flow in order to realize our 2030 strategic ambitions, and to deliver the expected returns to our shareholders. The outlook on these metrics is communicated to the external markets quarterly.

In order to maintain strategic alignment, the Supervisory Board selected KPIs in the Executive Board short-term and long-term incentive programs as of 2023 which are directly derived from the company's financial framework. The proposed changes in the Executive Board remuneration policy link the Executive Board short-term and long-term variable compensation to the company's short-term and longer-term cash flow driving the execution of the Shaping the future strategy.

The Supervisory Board is of the opinion that the selection of these new financial metrics for the Executive Board short-term and long-term incentive programs will ensure that the efforts of management are focused on delivering the financial results required to strengthen the company's valuation[1], and ensure growth over the long term.

The proposed KPI 'Total Proportional Capex Committed to industrial and gas terminals investments' together with the existing KPI Total Proportional Capex Committed to New Energies Development investments' in the Executive Board long-term incentive program for 2023 and beyond, jointly reflect the strategic 2030 Grow and Accelerate ambitions which will result in the company's portfolio transformation towards cleaner fuels and new energies and feedstocks, ensuring that the realization of these ambitions are now also tied to the Executive Board long-term incentive compensation.

To emphasize its importance for the company's license-to-operate, GHG emissions reduction has now also been introduced as one of the specific EB targets in the 2023 Executive Board short-term incentive program. Also, the company's ambitions to strive for a more diverse workforce, has now been translated into specific EB targets on Diversity (gender and ethnic diversity) in the 2023 Executive Board short-term incentive program.

The table on the next page provides an overview of the main proposed changes to the KPIs of the Executive variable compensation programs for 2023 and beyond, and their rationales.

Adjustments were made to some of the relative weights of the KPIs in the payout/ vesting and their correlated measuring scales in both the Executive Board STIP and LTSP programs as of 2023, in order to maintain the current minimum and maximum payout/ vesting levels. The proration approach applied to awards made under the company's Executive Board long-term incentive programs in case of Executive Board members joining and leaving the company in good standing, is now adjusted to reflect the actual time served during the performance period.

Furthermore, the opportunity of the review was used to clarify certain aspects of the policy with regard to non-compete clauses, change-in-control, and (temporary) derogation.

The Executive Board remuneration policy for 2023 and beyond thus revised will be put forward for approval to the General Meeting on 26 April 2023. Upon approval, it will be implemented as of January 1, 2023.

[1] The Supervisory Board considered selecting a relative return measure such as Total Shareholder Return (TSR) for the Executive Board long-term incentive programs going forward. However, no meaningful industry peer group can be established because most of Vopak's competitors are not stock-listed (for example, HES International, Kinder Morgan, Oiltanking, Stolt Terminals, VTTI) or are government-owned. A peer group with companies from a mix of industries, such as the peer group used for determining the base salary and total remuneration levels for the Executive Board, was also considered not suitable to steer management actions and reward longer-term company achievements due to the different business conditions and environments in other industries.

Overview of the proposed changes to the KPIs of the Executive variable compensation programs for 2023 and beyond

Current KPIs replaced by →	**Proposed KPIs going forward**	**Rationale for change**
Executive Board short-term incentive programs		
EBIT	EBITDA	• EBITDA is one of the two main and most suited short-term drivers influenceable by management to generate the cash flow required to realize Vopak's 2030 strategic ambitions, and to deliver the expected returns to shareholders. EBITDA is part of the Vopak financial framework going forward.
Cost	Proportional* Operating Capex	• Operating Capex is one of the two main and most suited short-term drivers to generate the cash flow required to realize Vopak's 2030 strategic ambitions, and to deliver the expected returns to shareholders. Operating Capex is part of the Vopak financial framework going forward.
EB Effectiveness	specific EB targets	• More concrete and specific targets for the Executive Board to be achieved in the performance year at hand replace the broad and overarching KPI 'EB Effectiveness'. Such specific EB targets would typically be derived from the areas in the company's strategy, including the Sustainability Roadmap.
Executive Board long-term incentive programs		
EPS	Proportional Operating Cash Return	• Operating Cash Return (OCR) is a reflection of Vopak's longer-term sustainable cash flow generation and long-term sustainable returns delivery to shareholders. OCR is also selected because it is a metric that links profit to invested capital (which is lacking in EPS). It is part of the Vopak financial framework going forward.
Strategy Execution	Total Committed Proportional* Capex to industrial and gas terminals investments	• The single-focused KPI 'Total Proportional Capex Committed to industrial and gas terminals investments' replaces The KPI Strategy Execution which measures the realization of the entire strategic agenda (excluding sustainability) in the relevant performance period. It measures the strategic portfolio shift towards industrial and gas terminals, as a reflection of the 'Accelerate' ambition in the company's Shaping the future strategy to invest 1 billion EUR in industrial and gas terminals by 2030.

* For Operating Capex, Operating Cash Return, and Total Committed Capex to industrial and gas terminals investments, targets are set and measured on a proportional rather than a consolidated basis in order to place equal focus on the performance of group companies and of the joint ventures.

Stakeholder engagement

Investors, and other shareholders, customers, suppliers, business partners, authorities and employees are among others important stakeholder groups with whom Vopak is in continuous contact. Investors and shareholders as well as the works council of Vopak are consulted when Vopak's Supervisory Board and Executive Board remuneration policies and any changes thereto requires approval from the General Meeting.

Every two to three years, Vopak asks a broad group of internal and external stakeholders directly about the key sustainability topics for Vopak. The most recent materiality survey, which includes feedback on remuneration within Vopak, was conducted in 2022. Overall, this survey shows that remuneration is ranked as important. In addition, Vopak highly values the employee and customer satisfaction surveys as input for the policy.

In 2022, the Committee intensified its ongoing dialogue with the company's major shareholders and their proxy advisors in response to the voting result for the 2021 Remuneration report (71.70% in favor) from the General Meeting in April 2022.

For the drafting of this policy, the Remuneration Committee engaged with Vopak's major investors who jointly hold approx. 70% of the shares in the company. Also, meetings were held with the proxy advisors ISS, and Glass Lewis, and Eumedion to solicit their views on this policy. Eight investors took up on our invitation, and with several of them multiple sessions were held. The works council of Vopak was requested to provide formal advice. The changes going forward in the Supervisory Board and Executive Board remuneration policies are a reflection of their feedback.

Temporary derogation from the policy

As determined by the Dutch Civil Code, derogation from this policy is only allowed under exceptional circumstances and for a limited time period under the following conditions:

- The derogation can be applicable to any provision in this policy, as long as it is (i) In line with the general remuneration objectives and principles as described in this policy; and, (ii) required in order to serve the long-term interest and sustainability of Vopak as a whole and/ or to assure its viability; and, (iii) compliant with the applicable legislation and regulations.
- The Supervisory Board (pre-)approves the derogation on the basis of an assessment of the rationale, which provision is derogated from and for how long, how the individual Executive Board members are impacted, and the extent to which the derogation complies with the applicable rules and regulations. The derogation, its details, and the outcome of the assessment are disclosed in the Remuneration Report of the Annual Report of the year in which the temporary derogation took place.
- In case the derogation results in a change in the Executive Board remuneration structures or levels, or any other material condition in this policy, this will be presented for approval to the next General Meeting, irrespective of whether the derogation results in a revision of the policy or not.

In the case that in between the General Meetings, there is a change in the applicable legislation and/ or regulations that would result in a conflict with (a part of) this policy, the Supervisory Board may deviate from this policy with immediate effect to ensure compliance with the new laws and regulations. Such deviation will not constitute a temporary derogation of the policy. The Supervisory Board will disclose such deviation in the next Remuneration Report, and submit a proposal to the shareholders to adopt a revised policy at the next General Meeting which complies with the new legislation and/ or regulations.

REMUNERATION OBJECTIVES

The Executive Board remuneration policy of Vopak supports the company’s purpose of storing vital products with care. The policy is reflective of the Vopak Values. It is clear and transparent, and developed in order to foster the Vopak Values among Executive Board members in their dealings with each other and the Supervisory Board, as well as other Vopak staff, partners, customers, shareholders and other stakeholders. Furthermore, Vopak’s Values are promoted via the Executive Board variable remuneration plans and related Key Performance Indicators (‘KPIs’) and targets.

The Vopak Executive Board remuneration policy aims to attract and retain Executive Board members the right level of experience and competencies to drive the achievement of the company's purpose and strategic objectives. The policy provides for remuneration packages that consist of a balanced mix of fixed and variable compensation, with remuneration levels that are aligned with the relevant level playing field. Also, the policy is aligned with those for Vopak senior executives.

By rewarding Executive Board members for the achievement of specific objectives of short-term and longer-term value creation, this policy ensures alignment with the company’s shareholders’, employees and other stakeholders’ interests. In its day-to-day operations, care for people’s safety and health and for the environment are the company’s first and foremost priority. Therefore, the policy links the Executive Board variable compensation to the company’s safety performance, with short-term incentive targets on both personal safety and process safety. Metrics related to the company’s profit and cash-flow as well as customer satisfaction are also included in the Executive Board short-term incentive programs, as they measure the company’s success in creating value today for its stakeholders.

At the same time, the Executive Board needs to ensure that the company stays relevant to the market and the society at large by facilitating flows of products that are vital to people in their daily lives, today and in the future. Therefore, the Executive Board remuneration policy provides for longer-term rewards to the Executive Board’s performance on steering the company in the agreed strategic ambitions and creating value for its stakeholders.

REMUNERATION PRINCIPLES

All Vopak's remuneration policies, including those for the Executive Board, are designed to balance the following remuneration principles.

External competitiveness

The Remuneration Committee is informed by external advisors about the total remuneration levels of similar board memberships in relevant markets on a regular basis. The Remuneration Committee considers the benchmark against the bottom 10 AEX and top 10 AMX companies excluding companies in the financial and real estate industry[2], and ranked on the basis of their market capitalization, most relevant. A longer-term stable position around market median against this peer group is aimed for. Other remuneration data from other benchmarks and/ or other companies may be used in order to gain an improved understanding of the Dutch and European longer-term market developments and trends in Executive Board remuneration.

Internal consistency

For Executive Board remuneration, internal consistency is valued just as equally as external competitiveness. Executive Board remuneration is aligned with the remuneration of senior executives by using the same job evaluation methodology. Alignment between the remuneration packages for the Executive Board members and senior executives is also ensured through a similar design in the remuneration policies, plans and components.

Strategic alignment

The policy aims for a balance between fixed and (short-term and long-term) variable compensation, with a relative emphasis on long-term variable compensation. This emphasis is aligned with the company's longer-term strategy, which requires multi-year decisions on and realization of major capital investments in assets and often longer-term customer and partner contracts.

In addition, the KPIs in the Executive Board variable compensation plans are selected to motivate them to steer the company's strategy execution in the short and longer term.

Pay for performance

As a reflection of Vopak's performance culture, the short-term and long-term variable compensation plans for the Executive Board, senior executives and other key staff are incentive-driven rather than reward-based. Non-performance is not rewarded under these plans (nor via other remuneration components).

In exceptional circumstances, such as gross misconduct, gross negligence, or fraud, the company may consider to claw back any variable compensation already paid.

EXECUTIVE BOARD REMUNERATION

Annually, the Remuneration Committee reviews the Executive Board total remuneration levels, as well as each remuneration component of their package, such on behalf of the Supervisory Board. In doing so, the Remuneration Committee takes the earlier stated remuneration objectives and principles into account.

The remuneration package of individual Executive Board members comprises of the following main elements:

1. Annual base salary;
2. Short-term variable compensation: an annual cash-based incentive opportunity related to the achievement on financial and non-financial targets for the respective financial (performance) year;

[2] For 2023, this peer group will consist of the following companies: (a) bottom 10 AEX companies: Akzo Nobel, ArcelorMittal, ASM International, BE Semiconductor Industries, DSM, IMCD, KPN, Philips, Randstad, and Signify; (b) top 10 AMX companies: Aalberts, Aperam, AirFranceKLM, Arcadis, Galapagos, InPost, JDE Peets, JustEatTakeAway.com, OCI, and SBM Offshore.

3. Long-term variable compensation: a share-based incentive opportunity related to the achievement of financial and strategic targets during a three-year performance period;
4. Pension arrangement.

Additionally, benefits and other emoluments are provided for in line with the Vopak Netherlands policies, plans and arrangements which apply to all Vopak staff in the Netherlands.

Annual base salary

Annual base salary levels of the Executive Board are determined on the basis of the external and internal consistency considerations as described in the section ‘Remuneration objectives and principles’ of this policy. They are set at levels which result in overall Target Total Direct Compensation packages (i.e. the sum of the annual base salary plus the target short-term incentive plus the target long-term incentive) for individual Executive Board members that are market competitive, i.e. in line with the longer-term median of the peer group, and internally aligned with the overall Target Total Direct Compensation packages of senior executives. They are reviewed annually, and, depending on the outcome of such review, adjusted per 1 January of each year.

Annual base salary and Target Total Direct Compensation levels for new joiner Executive Board members may be set at a different level compared to the market median as a more accurate reflection of their recent promotion, and/ or the non-Dutch local market levels they originate from.

Variable compensation

Executive Board members are eligible for both a short-term and a long-term incentive opportunity. The Executive Board short-term incentive plan (STIP) and the Executive Board long-term share plan (LTSP) are fully performance-driven and forward-looking. These incentive programs reward the Executive Board annually (STIP) and after 3 years (LTSP), if ambitious financial and non-financial targets are achieved.

The Supervisory Board sets the targets for each of the STIP and LTSP KPIs for the Executive Board at the beginning of the performance period of each plan. A mix of financial KPIs, which are an indicator of the financial soundness of the company, and non-financial KPIs, which reflect the company’s frontline execution and are enablers of future growth, are selected. Targets for each of the financial and non-financial KPIs are set at the level of Vopak as a whole. No guaranteed variable pay is offered.

Scenario analysis

At part of the annual target setting for the KPIs in the Executive Board STIP and the Executive Board LTSP programs, a scenario analysis is undertaken in order to determine (any changes to) the design of the variable compensation plans. This includes the calculation of remuneration under different business scenarios whereby different performance assumptions and corporate actions are examined. The scenario outcomes and the consequences of these outcomes on the total remuneration levels are analyzed and taken into consideration.

Variable compensation incentive opportunities

The scenario analysis undertaken at the end of 2022 resulted in a confirmation of the current incentive opportunities for individual Executive Board members under the Executive Board STIP and LTSP for 2023 and beyond; these are outlined in the table on the next page.

Executive Board variable compensation plan	Type of incentive	Performance result	Incentive opportunity as a % of annual base salary		
			CEO	CFO	COO
Short-term incentive plan (STIP)	Cash	Maximum	90%	75%	75%
		Target	60%	50%	50%
		Minimum (= threshold)	15%	12.5%	12.5%
		Below threshold	0%	0%	0%
Long-term share plan (LTSP) [1]	Performance shares	Maximum	165%	135%	135%
		Target	110%	90%	90%
		Minimum (= threshold)	55%	45%	45%
		Below threshold	0%	0%	0%
Target total variable compensation opportunity as a proportion of the Annual Base Salary (%)			170%	140%	140%
Target total variable compensation opportunity as a proportion of Target Total Direct Compensation (%)			63%	58.33%	58.33%

[1] Awards as a % of annual base salary at January 1 of the first year of the applicable performance period.

Supervisory Board decisions

The cash payouts to individual Executive Board members under the STIP and the vesting and delivery of shares to individual Executive Board members under the LTSP are a reflection of the performance achieved against the preset targets. The Supervisory Board has the discretionary authority to adjust the STIP payouts as well as the number of LTSP shares delivered, if the Supervisory Board is of the opinion that such adjustment(s) would produce a fairer reflection of the performance of Vopak and/ or of the individual members of the Executive Board. Such adjustment(s) are made within the limits of the policy, i.e. the total STIP payout and/ or the total number of vesting LTSP shares thus decided upon will remain within the original 0% - 150% payout/ vesting range.

All performance-based incentive plans are subject to ‘claw-back’ provisions which may apply in the event that the company would be obliged to make a financial restatement. The Supervisory Board may decide to apply these claw-back provisions up to three years after the respective variable compensation was paid out/ vested. However, in case this claw-back is the result of serious circumstances such as fraud, gross negligence, willful misconduct or any other activity detrimental to the company, then this period may be extended to more than three years, such to the discretion of the Supervisory Board.

In case of the company’s dissolution, a liquidation, a sale of all or substantially all of its assets, a merger, a split, a consolidation, or a similar transaction, which (will) result in a change in control of the company and/ or a share swap, the Supervisory Board has the discretionary authority to (i) lapse, or (ii) apply an accelerated vesting to all or a part of any outstanding, unvested conditional awards of performance shares made to individual Executive Board members under the company’s Executive Board long-term share plan programs; (iii) offer in lieu of the unvested shares thus lapsed, and any shares already vested (early) and delivered to individual Executive Board members, (a) an amount in cash which is equal to the target number of shares awarded (in case of the unvested shares thus lapsed) or the actual number of vested shares delivered multiplied by the closing share price of the company’s share as applicable four calendar weeks prior to the public announcement of such event, and/ or (b) another share-based instrument now available as a result of such event; and, furthermore, (v) take whatever other steps are considered appropriate in order to arrive at a fair compensation as intended under the company’s Executive Board long-term share plan programs.

Design of the short-term incentive plan (STIP)

The Executive Board Short-term Incentive Plan (STIP) rewards the Executive Board for the realization of a mix of financial and non-financial achievements that impact the company’s cash flow position of the company and license-to-operate during a 12-month period. The STIP is intended to align the short-term interests of the Executive Board with the short-term interests of investors and other shareholders. In order to ensure shareholder alignment throughout the company, the company’s senior executives and other key managers are eligible for a short-term incentive plan with a similar design, which also serves as a retention tool for this group of staff.

The KPIs are defined and measured as follows:

Vopak financial KPIs:

- **Improve the performance of the portfolio (profitability): EBITDA**: (consolidated) EBITDA is defined as Net Income to which the annual company expenses for interest, tax, depreciation, and amortization are added back in. It equals the group's consolidated EBITDA – excluding exceptional items - as externally reported by the company. This performance indicator is used to evaluate Vopak's core corporate profitability and operating performance.
- **Improve the performance of the portfolio (efficiency): proportional Operating Capex**: proportional Operating Capex is defined as the annual capital expenditures spent on projects and activities required to acquire, upgrade, and maintain the physical asset base of the company ('sustaining capex') as well as the tangible and intangible IT asset base of the company ('IT capex') and any other intangible asset base of the company ('service capex'). It equals the group's proportional Operating Capex – excluding exceptional items - as reported externally by the company. This performance indicator is used by the company in order to maintain and improve its service delivery and performance for the next years to come.

  Operating Capex targets are set and measured on a proportional basis rather than a consolidated basis in order to place equal focus on the performance of group companies and of the joint ventures. Proportional means proportional to the share of operating capex equaling Vopak's economic equity share ownership interest in its subsidiaries, joint ventures, and associated companies.
- In order to establish a like-for-like comparison, the preset EBITDA and proportional Operating Capex targets and the actual realization of the results will be aligned for significant events that take place after the target setting, such as acquisitions, divestments, and investment proposals approved by the Supervisory Board, as well as for foreign currency translation effects.
- **Target range**: The financial KPIs are measured on a sliding scale ranging from a minimum target level which has to be met before any payout occurs (= threshold) to a maximum target level which results in a maximum payout if this level is met or exceeded.

Vopak non-financial KPIs:

- **Improve the performance of the portfolio (frontline execution): Safety**: Vopak's 'License to Operate' and its 'License to Grow' are conditional upon its ability to operate with care for safety, health and the environment. Vopak's ambition is to be the sustainability leader in the industry and to be as good as the safest and most sustainable of its customers. Safety is measured by means of 2 equally weighted quantitative performance criteria: Process Safety Event Rate (PSER) and Total Injury Rate (TIR). Process safety and the occupational health and safety of employees and contractors are the company's top priorities. The long-term aim is zero incidents and no serious harm to anybody working at a Vopak facility. Note that the pay-out on TIR will be reduced to 50%, in case of one fatal incident, and to zero in case of two or more fatal incidents during the performance year.
  - **PSER** is measured as the total number of Tier 1 & 2 process incidents on Vopak sites, including joint ventures, per 200.000 available working hours (own staff + contractors).
  - **TIR** is measured as the total number of all reportable injuries per 200.000 available working hours (own staff + contractors). In case of a fatality of an employee or contractor, the payout on TIR will be reduced by 50%. In case of 2 or more fatalities during the performance year, the payout on TIR will be adjusted downwards to zero.

- **Improve the performance of the portfolio (frontline execution): Customer Service**: Vopak focuses on driving service performance to the next level in order to achieve its commercial and customer satisfaction goals. The realization of our customer service goals are directed by ambitious, quantitative Net Promoter Scores. In order to ensure that continuous improvement is rewarded as well as more consistency in our performance is catered for, an NPS score of at least 60 at a group level needs to be achieved. Additionally, the payout of the actual incentive will be conditional to a participation rate of ≥ 30%.
- **Improve the performance of the portfolio (growth): specific EB targets:** each year, concrete and specific targets for the Executive Board to be achieved in the performance year at hand will be selected from the areas in the company's strategy, including the Sustainability Roadmap, that are typically not (sufficiently) addressed by other KPIs in the Executive Board STIP and LTSP programs. For the 2023 Executive Board STIP program, these targets will be linked to Gender Diversity and GHG Emissions Reduction.
  - The Gender Diversity is linked to the share of female employees (as a % of the total Hay Grade 19+ employee workforce, including the Executive Board) required to achieve Vopak's longer-term ambition of 25% by the end of 2025, and
  - The target levels for GHG Emissions Reduction are set and results are measured in the same way as in the 2023 – 2025 Executive Board LTSP program, see the section 'Design of the long-term share plan (LTSP)' below for more detail.
- **Target range**: For the non-financial KPIs, no payout will occur in case the actual performance realized is below the preset target levels. Above target results are rewarded resulting in a maximum payout if the maximum level is met or exceeded.

For competitive reasons, the metrics of the KPIs in the 2023 Executive Board STIP program and their corresponding target range will be disclosed ex post in the Remuneration Report of the 2023 Annual Report.

The table below is a graphic display of the Executive Board STIP design for 2023 and beyond, including the KPIs and their relative weights in the payout.

KPIs in the Executive Board STIP and their relative weights in the payout

			Actual performance realization against target [1 2]					
Improve	**Nature**	**KPI**	**Below threshold**	**Threshold (minimum)**	**Below target**	**Target**	**Above target**	**Maxi mum**
Profitability	Financial	**EBITDA**	0%	20%	sliding scale	40%	sliding scale	60%
Efficiency		**Proportional Operating Capex**	0%	5%		20%		30%
subtotal financial KPIs			**0%**	**25%**		**60%**		**90%**
Frontline execution	Non-Financial	**Safety**	0%	0%	0%	15%	sliding scale	22.5%
		Customer Service	0%	0%	0%	10%		15%
Growth		**specific EB targets**	0%	0%	0%	15%		22.5%
subtotal non-financial KPIs			**0%**	**0%**	**0%**	**40%**		**60%**
		Total	**0%**	**25%**		**100%**		**150%**

[1] The sliding scale applicable to EBITDA and to all non-financial KPIs is: (0% –) 50% – 100% – 150%.
[2] The sliding scale applicable to proportional Operating Capex is: (0% –) 25% – 100% – 150%.

Design of the long-term share plan (LTSP)

The Executive Board Long-term Share Plan (LTSP) rewards the Executive Board for the profitable growth of the company as well as relevant sustainability achievements during a three-year period. The LTSP is intended to align the longer-term interests of the Executive Board with the longer-term interests of investors and other shareholders. In order to ensure shareholder alignment throughout the company, the company's senior executives and other key managers are eligible for a long-term incentive plan with a similar design, which also serves as a retention tool for this group of staff.

For 2023 and beyond, the design of the Executive Board LTSP is as follows. Please note that for competitive reasons, the targets and the corresponding target ranges applicable to the KPIs in the LTSP program as of 2023 and beyond will be mostly disclosed ex post in the Remuneration Report of the Annual Report related to the financial year in which the performance period ends.

- **KPIs and their relative weights**: Three (3) key performance indicators ('KPIs') are used:
  1. Proportional Operating Cash Return (OCR) with a target weight of 55%;
  2. Total Proportional Capex Committed to industrial and gas terminals investments, with a target weight of 15%;
  3. Sustainability Execution with a target weight of 30%. For the 2023 – 2025 Executive Board LTSP plan, the sub-targets are as follows:
     - a Total Proportional Capex Committed to New Energies Developments target, with a weight of 15%;
     - a Vopak GHG Emissions Reduction target, with a weight of 15%.
- **Improve the performance of the portfolio: proportional OCR** is defined as proportional operating cash flow divided by proportional capital employed, excluding exceptional items, as externally reported by the company. It is the metric of Vopak's long-term sustainable cash flow generation as a portion of invested capital. Actual OCR realization during the performance period is measured against pre-set targets derived from the company's longer-term planning. It will be measured as the average of end values at 31 December of year 1, 2 and 3 in the applicable performance year.

  - For OCR, proportional operating cash flow is defined as proportional EBITDA minus IFRS 16 lessee plus IFRS 16 lessor minus proportional operating capex. Proportional capital employed is defined as proportional total assets less current liabilities, excluding IFRS 16 lessee, assets under construction, Loans to third parties, Fair Value derivatives, and Deferred Income Taxes.
  - In order to establish a like-for-like comparison, the preset targets and the actual realization of the result will be aligned for significant events that take place after the target setting, such as acquisitions, divestments, and investment proposals approved by the Supervisory Board. They will not be aligned for foreign currency translation effects.
- **Grow the base in industrial & gas terminals: Total Proportional Capex Committed to industrial and gas terminals** (EUR x mln) is defined as the share of committed investments in qualifying industrial and gas terminals investments to be achieved on 31 December of year 3 of the applicable performance period. Among others, the following investments qualify:

  - The acquisition of industrial and gas terminals (based on Vopak's share in the enterprise value of the company and all potential - proportional - earn outs);
  - Projects in existing terminals and greenfield project developments which classify as industrial and gas such as:
    - capacity expansions;
    - associated infrastructure investments.
- **Sustainability Execution** is used to focus on the longer-term sustainability of the company's operations. The realization of the longer-term Vopak sustainability agenda during the performance period is rewarded via the selection of specific targets. The Supervisory Board, upon recommendation of the Remuneration Committee, will select these targets and determine the target levels and corresponding ranges prior to the start of each 3-year performance period.

  For the LTSP 2022 – 2024, and the LTSP 2023 – 2025, the following Sustainability Execution targets have been selected:

- **Accelerate towards new energies & sustainable feedstocks: Total Proportional Capex Committed to New Energies Developments** (in EUR mln), defined as the share of committed investments in qualifying New Energies Development investments to be achieved on 31 December of year 3 of the applicable performance period. For New Energies Development, among others, the following investments qualify:
  - Investments in new ventures funds 'New Energies, Feedstocks & Sustainability';
  - The acquisition of new energy companies (based on Vopak's share in the enterprise value of the company and all - proportional - potential earn outs);
  - Projects in existing terminals and or greenfield project developments which enable new energy product storage and handling, such as:
    - capacity expansions;
    - repurposed/ converted capacity;
    - associated infrastructure investments.
- **Improve the performance of the portfolio:** a Vopak **GHG Emissions Reduction** target. The selected target levels are aligned with Vopak's Sustainability Roadmap, resulting in a net zero emission by 2050, and a reduction of 30% by 2030.
  - Vopak's GHG emissions include scope 1 and scope 2 CO_2 emissions as well as methane and N_2O emissions (which are limited compared to Vopak's CO_2 emissions).
  - The target levels include the GHG emissions from the current operations as well as the expected growth of Vopak's operations and asset base during the performance period[3].
  - The targets are defined as a % reduction of the 2021 baseline of 577k tCO_2, and validated by SBTi (in progress).
    - The 2021 baseline is chosen in line with the recommendation of SBTi, as this is the most recent year for which data are available as the target base year.
    - Also, the 2021 baseline reflects the major changes in the company's asset base (acquisitions and divestments) that took place prior to 2021.
  - In order to establish a like-for-like comparison, the preset targets and the actual realization of the result will be aligned for significant events that take place after the target setting, such as acquisitions and divestments.

- Targets for OCR and the 2 Capex KPIs are set and measured on a proportional basis rather than a consolidated basis in order to place equal focus on the performance of group companies and of the joint ventures. Proportional means proportional to the share of operating cash flow/ capital employed/ capex equaling Vopak's economic equity share ownership interest in its subsidiaries, joint ventures, and associated companies.
- For the 2 Total Proportional Capex KPIs (Committed to industrial and gas terminals and to New Energies Developments), the following applies:
  - The timing is based on moment of the final investment decision, not moment of actual spend.
  - Targets will be set and investment proposals will need to be in line with the capital allocation framework of the company in terms of the applicable WACC, and the expected (progression in) returns and cash flow generation. The financing structure / amount funded by debt is ignored.
  - For New Energies Development investments, 80% to 90% of the allocated capital is targeted to generate gas-like returns, while 10% to 20% of the capital investments will be allocated to investments with a venture or R&D character and an associated risk-return profile.
  - Only investments that qualify as growth Capex are considered.
  - Sustaining Capex and IT Capex for existing assets, as well as book profits in new ventures are excluded.

[3] For reference, the 2030 target of 30% reduction implies a reduction between 45% - 60% of the GHG emissions from Vopak's existing business by 2030.

- Committed investments will be allocated to either the segment Industrial/Gas or to the segment New Energies to avoid ‘double counting’.

- For Sustainability Execution in future Executive Board LTSP programs under this policy, other relevant sustainability targets may be selected from the Vopak longer-term strategic agenda and the Vopak Sustainability Roadmap.
- **Target range**: All LTSP KPIs are measured on a sliding scale ranging from a minimum target level which has to be met before any vesting occurs (= threshold) to a maximum target level which results in a maximum vesting if this level is met or exceeded.
- **Performance period**: three years, from 1 January of the year in which the conditional award is made (= year 1) until 31 December of year 3.
- **Vesting:** Vesting takes place at the date of the first Annual General Meeting held after the end of the performance period, such subject to the satisfaction of the performance and other conditions and approval of the General Meeting. Any vesting will be in Vopak shares.

The table below is a graphic display of the Executive Board LTSP design, including the KPIs and their relative weights in the vesting:

KPIs in the Executive Board LTSP and their relative weights in the vesting

			Actual performance realization against target [1]					
Strategy theme	Nature	KPI	Below threshold	Threshold (minimum)	Below target	Target	Above target	Maxi mum
Improve	Financial	**Operating Cash Return**	0%	27.5%	sliding scale [1]	55%	sliding scale [1]	82.5%
Grow	Financial	**Total Committed [1] Proportional Capex to industrial and gas terminals investments [1]**	0%	7.5%	sliding scale [1]	15%	sliding scale [1]	22.5%
Accelerate	Financial	**Total Proportional Capex Committed to New Energies Development investments**	0%	7.5%	sliding scale [1]	15%	sliding scale [1]	22.5%
subtotal financial KPIs			**0%**	**42.5%**		**85%**		**127.5%**
Improve	Non-Financial	**GHG Emissions Reduction**	0%	7.5%	sliding scale [1]	15%	sliding scale [1]	22.5%
subtotal non-financial KPIs			**0%**	**7.5%**		**15%**		**22.5%**
		Total	**0%**	**25%**		**100%**		**150%**

[1] The same sliding scale is applied to each KPI in the Executive Board LTSP: 0% or 50% - 100% - 150%.

LTSP awards made to Executive Board members

Each year, a conditional award of performance shares is made to individual Executive Board members. The cash equivalent of these awards is based on their annual base salary and the applicable target incentive opportunity. Each grant is scheduled to vest at the first Annual General Meeting following the end of the applicable performance period of 3 years, and subject to the performance and other conditions .

The table on the next page is a graphic display of the LTSP programs and grants thereunder that will be awarded conditionally to individual Executive Board members in the period 2023 – 2026, and when these awards are scheduled to vest. LTSP awards made earlier years which are scheduled to vest in this period 2023 – 2026 are also shown for a full understanding of the workings of the LTSP. That part of the performance period of each LTSP program that falls in this 2023 - 2026 period is marked blue.

LTSP plan	Plan period and years of award and vesting									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
LTSP 2020 - 2022	conditional award			vesting						
LTSP 2021 - 2023		conditional award			vesting					
LTSP 2022 - 2024			conditional award			vesting				
LTSP 2023 - 2025				conditional award			vesting			
LTSP 2024 - 2026					conditional award			vesting		
LTSP 2025 - 2027						conditional award			vesting	
LTSP 2026 - 2028							conditional award			vesting

In the case an individual Board member is not able to complete the entire 3-year performance period of an Executive Board LTSP program because the member concerned joins or leaves the company during this period, the following applies.

In case of an Executive Board member leaving the company in good standing - such to the discretion of the Supervisory Board - any awards made under the company's Executive Board LTSP programs which have not vested yet on the date of termination, will be prorated on the basis of the actual time served during the performance period applicable to the EB LTSP program(s) concerned. That is, the proration approach applied is based on 36 months.

Completion of a full term of appointment without reappointment is considered as leaving the company in good standing; so are force majeure situations such as death, longer-term disability, a change-in-control, or a restructuring of the Board. In the situation that an individual Executive Board member is considered to have left the company on grounds within his/ her control, the Supervisory Board will decide separately how any outstanding unvested awards made to this Executive Board member earlier will be affected.

In case of Executive Board members newly joining, issuing awards under the company's Executive Board LTSP programs of which the performance period started before the date of joining but has not been completed yet, may be considered by the Supervisory Board. Typically, such awards would be appropriate to achieve an outcome which maintains the market competitive levels aimed for on an annual basis during the first three years of the Executive Board membership. Similar to the approach applicable at the time of termination, the proration approach applied will typically be based on the actual time served during the performance period, i.e. 36 months[4].

As long as awards made under the Executive Board LTSP programs are unvested, Executive Board members are only eligible for vesting; no entitlement is established. Vesting is subject to meeting at least the minimum performance condition and other conditions. The Supervisory Board has the discretionary powers to make the decision to vest an award or to lapse an award at any time between the date of award and the vesting date, also after Executive Board members have left the company. Accelerated vesting or a guaranteed vesting outcome is not applicable, unless extraordinary circumstances take place (such as the death of the – former - eligible Executive Board member).

Share ownership

Executive Board members are required to own a minimum number of company shares acquired under the company's Long-Term Share Plans at all times while serving as Executive Board member. For the CEO, this minimum shareholding requirement is the number of shares with a value equivalent to two (2) times his annual base salary. For the CFO and COO, this minimum shareholding requirement is the number of shares with a value equivalent to one (1) time their annual base salary.

Only company shares that vested to them under the company's Long-Term Share Plans in excess of this minimum can be transferred or sold by them - such transfer or sale being subject to the company's Insider

[4] If an internal candidate is promoted from a non-Executive Board position to an Executive Board position between 1 January and the date of the Annual General Meeting during which s/he is formally appointed, and has already commenced working on Executive Board matters prior to this formal appointment, the period before formal appointment would typically be included under this prorated approach.

Trading policy, and other legal requirements. New Executive Board members are expected to accrue their required shareholding over time via the vesting of the LTSP awards. Company shares acquired via private investments are not subject to this minimum portfolio requirement, hence also do not count towards this threshold.

Under the Dutch Corporate Governance Code, Executive Board members are required to hold shares acquired under company long-term share compensation plans for a minimum of 5 years after the date on which these shares were (conditionally) awarded. The Supervisory Board considers the requirement that a certain minimum portfolio of shares is held continuously during the entire Board membership with the company more suited to the longer-term nature of Vopak's strategy and the business Vopak is in.

On a day-to-day continuous basis, Vopak's shareholding requirement for Executive Board members results in a total number of shares vested and delivered to individual Executive Board members, and subsequently restricted from further sale, that is similar or higher compared to the shareholding requirement arrangement included in the Dutch Corporate Governance Code, such depending on the number of shares awarded that actually vest.

Other compensation

For Executive Board members who are recruited externally, the Supervisory Board may decide to provide additional one-off remuneration in the form of a sign-on bonus and/ or a buy-out arrangement (to compensate for any variable compensation forfeited as a result of joining Vopak), if this would be deemed fair and appropriate and in line with established market practices. In addition, if such Executive Board members would come from abroad, they may be eligible for expatriate benefits in cash or in kind, including tax assistance, in line with the Vopak Global Mobility policies applicable to Vopak staff, such depending on personal circumstances.

Benefits and other emoluments

Executive Board members are entitled to certain company benefits and emoluments per the policies, plans and arrangements for Vopak non-CLA staff in the Netherlands. Certain emoluments are subject to personal choice. Of these the Vopak pension plan is most notable.

Executive Board pension arrangements

Vopak's Executive Board members participate in the same company pension plan as other staff employed by Vopak in the Netherlands. As of January 1, 2018, this plan is a defined contribution plan funded by contributions from both Vopak and participants. The retirement age under the Vopak pension plan has been set at age 68 and includes various early retirement options on a cost neutral basis. In the calculation of the pensionable base salary, an offset for state pension entitlements, and a part of the actual annual bonus paid out in the year at hand under the Short-Term Incentive Plan (STIP), such to a maximum of 15% of the pensionable base salary, are included. With regard to death and disability, risk insurances apply. The pension plan includes three contribution arrangements, dependent on annual pensionable salary levels:

- Basic arrangement for that part of the annual pensionable salary up to EUR 67,380 (2023).
- Surplus arrangement for that part of the annual pensionable salary from EUR 67,380 up to EUR 128,810 (2023).
- Net Surplus arrangement for that part of the annual pensionable salary above EUR 128,810 (2023). Due to Dutch fiscal regulations, the employer contributions to this arrangement are made to participants in the form of gross cash compensation subject to tax withholdings, which can be used to fund a voluntary net defined contribution plan.

The caps in these three arrangements are set by the Board of the Vopak Pension Plan, and are largely driven by fiscal considerations as offered by the Dutch tax authorities. They apply to all participants in the Vopak NL Pension Plan, including to Executive Board members. Any changes in these caps are not subject to further approval of the General Meeting.

This pension arrangement is a replacement of the earlier Executive Board pension arrangement in place until January 1, 2015. For Executive Board members who were employed by or in service of the company prior to January 1, 2015, no employee contributions are required, also not in the case their Executive Board membership commenced after January 1, 2015 as a result of an internal promotion. For Executive Board members who were already appointed prior to this date, the difference between the Vopak contributions to the current pension plan and to the Executive Board pension arrangement in place prior to 1 January 2015, is compensated for by a separate gross pension contribution allowance paid out to the individual (subject to tax withholdings). If Executive Board members newly joined the company as an employee or as an Executive Board member after January 1, 2015, an employee contribution of 4% of their gross salary is withheld, in line with the 4% employee contribution obligations for all Vopak employees in the Netherlands.

In line with the arrangements in place for all Vopak employees in the Netherlands, Executive Board members who were employees of the company prior to January 1, 2006, and Executive Board members who are appointed as Executive Board member after January 1, 2015, are eligible for a gross cash allowance of 1.5% of their annual base salary (subject to tax withholdings), which replaces the company contributions to earlier pre-pension arrangements abolished in 2006.

OTHER

The company will provide the necessary business means to Executive Board members as required for the execution of their role and responsibilities. Their use is for business purposes only, and is subject to the general policies as applicable to all staff, which among others restricts the use of these means for private purposes, where applicable. Reasonable expenses will only be reimbursed to individual Executive Board members, if these are incurred in the course of performing their duties; approval of such business expenses is per the Vopak policies and procedures for such expenses.

The company will not provide any personal loan, advance or guarantee to Executive Board members.

APPOINTMENT AND TERMINATION

Executive Board members are (re-)appointed for a term of four years in accordance with legal and regulatory requirements. Executive Board appointments are governed by Dutch employment law and aligned with the current Dutch Corporate Governance Code. Vopak Executive Board agreements include confidentiality, non-compete and non-solicitation clauses.

For Executive Board members, any additional remuneration ('sign-on') paid upon recruitment, compensation for a (non-voluntary) (early) termination of appointment ('severance pay'), or a change-in-control will be decided upon by the Supervisory Board thereby taking into account standards of reasonableness and fairness and the Dutch Corporate Governance Code. In any case, a severance will not exceed one year's fixed remuneration. No severance will be paid in the event of voluntary resignation by or seriously culpable or negligent behavior on the part of the individual Executive Board member.