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RULES GOVERNING THE MANAGING BOARD'S PRINCIPLES AND BEST PRACTICES

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These rules ("**rules**") were adopted by the statutory managing board (the "**Managing Board**") of Fugro N.V. (the "**company**") on 8 March 2004 and approved by the supervisory board (the "**Supervisory Board**") on 10 March 2004.

Article 1

Status and contents of the rules

- 1.1. These rules have been drawn up pursuant to article 20 paragraph 1 of the company's articles of association and are complementary to the rules and regulations (from time to time) applicable to the Managing Board under Dutch law or the company's articles of association.
- 1.2. Where these rules are inconsistent with Dutch law or the company's articles of association, the latter shall prevail. Where these rules conform to the articles of association but are inconsistent with Dutch law, the latter shall prevail. If one or more provisions of these rules are or become invalid, this shall not affect the validity of the remaining provisions. The Managing Board shall replace the invalid provisions by those which are valid and the effect of which, given the contents and purpose of these rules, is to the greatest extent possible similar to that of the invalid provisions.
- 1.3. These rules have been based on the Dutch corporate governance code (the "Code") as adopted by the Tabaksblat Committee on 9 December 2003 (and proposed legislation amending Book 2 of the Civil Code in connection with the adjustment of the structure regime, as adopted by the Lower Chamber of Dutch Parliament (*Tweede Kamer*) on 9 September 2003). This proposal will need to be dealt with by the Upper Chamber of Dutch Parliament (*Eerste Kamer*) and will only take effect after adoption by the Upper Chamber of Dutch Parliament.
- 1.4. In its resolution adopted on 8 March 2004, the Managing Board unanimously declared that:
 - a) it will comply with, and be bound by the obligations arising from, these rules to the extent that they apply to it and its members;
 - b) on appointment of new members it will cause such members to issue a declaration as referred to in a) above.
- 1.5. These rules are published on the company's website www.fugro.com and can be downloaded by selecting corporate area, corporate governance.

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Article 2

Responsibilities of the Managing Board

- 2.1 The Managing Board members shall be collectively responsible for the company's management, the general affairs of the company's business and the general affairs of the group companies affiliated with the company.
- 2.2 The managing directors shall divide their tasks by mutual consultation. The Supervisory Board will be informed of the division of tasks amongst the managing directors. In case of a managing director's absence, his duties and powers shall be carried out by another managing director to be designated by the Managing Board. In case of long-term absence, the Supervisory Board shall be notified of that designation.
- 2.3 Each managing director shall be accountable to the Managing Board for the fulfilment of his duties and must therefore report to the Managing Board on a regular basis and in such a manner as to give the Managing Board a proper insight in the performance of his duties, the foregoing also in view of the Managing Board's collective responsibility.
- 2.4 Each managing director shall have the right to receive from other managing directors and from employees any information about matters which he/she may deem useful or appropriate in connection with his/her collective responsibility for the company's management. He/she must consult with the other managing directors if the implementation of his/her duties affects the implementation of the duties of the other managing directors or if the significance of the matter requires consultation with the other managing directors.
- 2.5 Where the management of group companies is concerned, the Managing Board shall ensure that instructions to managing directors shall be based on a resolution of the general meeting of shareholders of those group companies.
- 2.6 In discharging its duties, the Managing Board shall be guided by the interests of the company and its business; it shall take into account the relevant interests of all those involved in the company (including the company's shareholders). The Managing Board is responsible for the quality of its own performance.
- 2.7 The responsibilities of the Managing Board shall include:
- a) the achievement of the company's objectives;
 - b) determining the strategy and policy designed to achieve the objectives;
 - c) the general state of affairs in and the results of the company;
 - d) taking stock of and managing the risks connected to the business activities;
 - e) ensuring that effective internal risk management and control systems are in place and reporting on this in the annual report;
 - f) maintaining and preparing the financial reporting process;

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- g) compliance with legislation and regulations;
 - h) compliance with and maintaining the corporate governance structure of the company;
 - i) publishing the corporate structure of the company and any other information required under the code, through the annual report, the company's website and otherwise;
 - j) preparing the annual accounts and drawing up the annual budget and important capital investments of the company;
 - k) giving advice in connection with the nomination of the external accountant of the company.
- 2.8 The company shall in any event employ as instruments of the internal risk management and control systems:
- a) risk analyses of the operational and financial objectives of the company;
 - b) a code of conduct which should in any event be published on the company's website;
 - c) guides for the layout of the financial reports and the procedures to be followed in drawing up the reports;
 - d) a system of monitoring and reporting.
- 2.9 A policy plan (budget) for the following year shall be drawn up annually. From time to time a plan for a medium long period shall be drawn up for branches of the company's business. The policy plans shall be adopted after the Supervisory Board's approval.
- 2.10 The Managing Board shall under the Supervisory Board's supervision be responsible for setting up and maintaining internal procedures ensuring that the Managing Board is aware of all important financial information, in order to safeguard timely, complete and accurate external financial reporting. To that effect, the Managing Board shall ensure that the financial information from group companies is reported directly to it and that the integrity of the information is not affected.
- 2.11 The Managing Board shall attach to the annual accounts an annual report on the work undertaken by it. The Managing Board's annual report shall in any event contain the information required by law and pursuant to the code. In addition, the Managing Board shall report on the sensitivity of the company's results to external factors and variables. The Managing Board shall state in the annual report that the internal risk management and control systems are adequate and effective and shall substantiate this in a clear manner. The Managing Board shall report in the annual report on the operation of said systems during the year under review and describe any significant changes that have been made and any major improvements that are planned and shall confirm that they have been discussed with the audit committee and the Supervisory Board.
- 2.12 The Managing Board shall require the approval of the Supervisory Board for:
- a) the operational and financial objectives of the company;
 - b) the strategy that must lead to the objectives of the company;

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- c) the conditions that will be employed by the strategy, for example in relation to financial ratios.

Article 3

Composition, expertise and independence of the Managing Board

- 3.1 The Managing Board consists of such number of members as determined by the Supervisory Board in accordance with the articles of association of the company.
- 3.2 The Managing Board shall have a chairman who shall ensure the proper functioning of the Managing Board as a whole. In addition, the managing board shall have one member specifically in charge of the company's financial affairs.
- 3.3 The Managing Board shall function independently from any instructions by third parties outside the company.
- 3.4 A managing director shall:
 - a) not enter into competition with the company;
 - b) not demand or accept (substantial) gifts from the company for himself/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
 - c) not provide unjustified advantages to third parties to the detriment of the company;
 - d) not take advantage of business opportunities to which the company is entitled for himself/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

Article 4

Chairman of the Managing Board

- 4.1 The Supervisory Board shall appoint respectively designate the chairman of the Managing Board and, if he is unable to discharge his duties or absent, designate his deputy.
- 4.2 In addition to the coordination of the Managing Board's policy, the chairman shall be responsible for:
 - ensuring that the Managing Board functions in an effective manner;
 - ensuring that budgets and policy plans are drawn up in a timely manner;
 - supporting the other managing directors and mediating in any differences of opinion between them;

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- ensuring that there is ample time for consultation, consideration and the other aspects of preparing decision-taking in and minuting of the Managing Board meetings and the supervision of the implementation of resolutions;
- drawing up the draft annual accounts with the corresponding annual report, and the dispatch of these documents to the Supervisory Board;
- chairing Managing Board meetings;
- ensuring the timely and adequate provisions of information to the managing directors as necessary for the proper performance of their duties;
- supervising the decision-taking in and minuting of meetings of the Managing Board with the Managing Board of group companies and meetings with the heads of the designated divisions;
- supervising the proper functioning of the external accountant of the company and the submission of his report to the Supervisory Board;
- maintaining intensive and frequent contacts with the Supervisory Board and in particular with its chairman, and informing the other managing directors in a timely and careful manner about the results of those contacts;
- receiving and deciding on reports by employees of the company of irregularities in the company of a general, operational and financial nature, unless the company's rules on whistleblowers provide that those employees report such irregularities to the chairman of the Supervisory Board;
- ensuring the timely and adequate provision of information to the Supervisory Board and to the individual members of that board as necessary for the proper performance of their duties;
- ensuring the annual evaluation and assessment of the functioning of the managing directors and the Managing Board;

Article 5

(Re)appointment, term and resignation

- 5.1 Managing directors shall be appointed in the manner as provided in the company's articles of association.
- 5.2 Managing directors shall be appointed for a maximum period of four years. They may be re-appointed for a term of no more than four years at a time. The previous sentence does not apply to managing directors who were member of the Managing Board at the time of adopting these rules.
- 5.3 Management positions in group companies of the company are deemed positions derived from the position of managing director of the company and shall therefore be subject to these rules.

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- 5.4 Managing directors shall not pursue the candidacy for a position as supervisory director or a similar position in companies not belonging to the group without the Supervisory Board's prior approval. Such position must contribute to the company's interests.
- 5.5 A managing director may hold no more than two supervisory directorships in listed companies. A managing director may not be chairman of a supervisory board of another listed company. The previous sentence does not apply to managing directors who were member of the Managing Board at the time of adopting these rules. A managing director shall not accept a supervisory directorship of another listed company without the Supervisory Boards' prior approval. Important additional functions shall be reported to the Supervisory Board.
- 5.6 Managing directors shall retire early in the event of inadequate performance, structural differences of opinion, incompatibility of interests and other instances where retirement is deemed necessary at the discretion of the Supervisory Board.

Article 6 Remuneration

The remuneration of the managing directors shall be determined within the scope of the remuneration policy adopted by the general meeting of shareholders. The amount of the remuneration of each individual managing director shall be determined by the corporate body designated for that purpose by the articles of association.

Article 7 Managing Board meetings (agenda, teleconferencing, attendance, minutes) , resolutions

- 7.1 The Managing Board shall hold meetings on a regularly basis at a time to be determined by the Managing Board and whenever one or more of its members have requested a meeting. The meetings shall generally be held at the offices of the company, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 7.2 The chairman, and in his absence his deputy, shall chair the meeting. If both are absent, the meeting shall appoint one of the managing directors as chairman of the meeting.
- 7.3 The meetings shall be convened in due time by the chairman. Each other managing director may request that the chairman convene a meeting.
- 7.4 The chairman shall determine the agenda of each meeting. Each other managing director may submit to the chairman of the board items to be discussed in the meeting. An item to be

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discussed which has not been submitted on time or is not supported by sufficient documentation shall not be placed on the agenda.

- 7.5 At the request of a managing director and with the agreement of the majority of the other managing directors, urgent matters may be discussed immediately or in an additional meeting.
- 7.6 The managing directors must attend the meetings of the Managing Board. Where they are unable to attend and the minutes require explanation, the chairman of the meeting shall inform them about the resolutions passed and the discussions held in the meeting in question.
- 7.7 The Managing Board may in principle pass resolutions only if at least the majority of the managing directors are present. The chairman of the Managing Board may depart from the principle as referred to in the previous sentence with respect to decision making in urgent situations. If there is still no majority in the next meeting, the chairman of the meeting shall consult with the absent managing directors by telephone or telefax if he believes that a resolution is required.
- 7.8 Resolutions may be passed outside a meeting if all managing directors have given their written vote in favour of the proposal.
- 7.9 Where possible, resolutions shall be passed by unanimous vote. If this is not possible, the resolution shall be taken by a majority of votes. If there is a tie vote, the chairman of the Managing Board shall have the casting vote.
- 7.10 If there is insufficient agreement at the meeting about certain subjects, the chairman of the Managing Board may refer the relevant item on the agenda for further consideration.
- 7.11 Without prejudice to the provisions of the law and the company's articles of association as well as what has been laid down in annex A, resolutions of the Managing Board to enter into the following transactions shall require the Supervisory Board's approval:
- a) determining the (annual) budget for investments and fixed assets;
 - b) making investments in deviation from the amounts set out in the policy plans or budgets;
 - c) granting of options to members of the Managing Board and the allotment thereof.
- 7.12 The Managing Board shall require the approval of the Supervisory Board and the general meeting of shareholders for resolutions regarding a significant change of the identity or character of the company or the business, including in any event:
- a) transfer of the business or virtually all of the business to a third party;
 - b) entry into or termination of long-term cooperation by the company or a subsidiary with another legal entity or partnership or as a general partner with full liability in a limited or general partnership if such cooperation or the termination thereof is of far-reaching significance for the company;

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- c) acquisition or disposal by the company or a subsidiary of a participation in the capital of another company the value of which equals at least a third of the amount of the assets according to the consolidated balance sheet with explanatory notes attached to the company's annual accounts as most recently adopted.

Article 8

Conflict of interests

- 8.1 A managing director shall not participate in the discussions and/or decision-taking process on a subject or transaction in relation to which he/she has a conflict of interest with the company within the meaning of article 8.2. Such transaction, if approved, must be concluded on terms at least customary in the branch concerned and be approved by the Supervisory Board.
- 8.2 A managing director shall in any event have a conflict of interests ("**conflict of interests**") if:
- a) he/she has a personal financial interest in a company with which the company intends to enter into a transaction;
 - b) he/she has a family law relationship (*familierechtelijke verhouding*) with a managing director of a company with which the company intends to enter into a transaction;
 - c) he/she is a member of the Managing or Supervisory Board of, or holds similar office with, a company with which the company intends to enter into a transaction;
 - d) under applicable law, including the rules of any exchange on which the company's shares (or depositary receipts thereof) may be listed, such conflict of interests exists or is deemed to exist;
 - e) the chairman of the Supervisory Board has ruled at his sole discretion that such conflict of interests exists or is deemed to exist
- 8.3 Each managing director shall immediately report any potential conflict of interests concerning a managing director to the chairman of the Supervisory Board and to the other managing directors. A managing director with such (potential) conflict of interests must provide the chairman of the Supervisory Board and the other managing directors with all information relevant to the conflict, including information relating to the persons with whom he/she has a family law relationship (*familierechtelijke verhouding*). In all circumstances other than the ones listed in article 8.2 under d) and e), the chairman of the Supervisory Board will determine whether a reported (potential) conflict of interests qualifies as a conflict of interests to which article 8.1 applies.
- 8.4 The chairman of the Supervisory Board shall procure that these transactions will be referred to in the Managing Board's annual report, with a declaration that the provisions in the code have been complied with.

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Article 9

Complaints, whistle blowers

- 9.1 The Managing Board shall ensure that complaints received by the company in relation to the financial reporting, the internal risk management and control systems and the audit are received, recorded and dealt with.
- 9.2 The Managing Board shall ensure that employees have the opportunity, without jeopardising, their legal position, to report to the chairman of the Managing Board irregularities in respect of matters referred to above and complaints about managing directors.

Article 10

Information, relationship with the Supervisory Board

- 10.1 The Managing Board shall timely provide the Supervisory Board with information (if possible, in writing) on all facts and developments concerning the company which the Supervisory Board may need to function as required and to properly carry out its duties.
- 10.2 The Managing Board shall quarterly provide the Supervisory Board with a report prepared in a format as agreed from time to time and setting out detailed information on *inter alia* finance, marketing, investments and staff. In this periodic report the Managing Board shall explain its policies to the Supervisory Board.
- 10.3 Each year as of the financial year 2004, without prejudice to the above, the Managing board shall provide the Supervisory Board with a budget for the following year, the main features of the strategic policy, the general and financial risks and the management and control systems of the company. In addition, the Managing Board shall issue an annual declaration as of the financial year 2004, that it has provided the Supervisory Board with all relevant information required for the due performance of its duties. The budget will be provided in time so as to enable the Supervisory Board to give its approval by January of the then current year. The statement shall be issued in time so as to enable the Supervisory Board to give its approval in April at the latest.

Article 11

Relationship with the shareholders

- 11.1 The managing directors shall attend with the supervisory directors the general meetings of shareholders, unless they are prevented from attending on serious grounds or the general meeting has expressed the wish to meet without the presence of the Managing Board or a managing director.

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- 11.2 The Managing Board shall provide the general meeting with any information it may require, unless important interests (*zwaarwegende belangen*) of the company or any law, rules or regulations applicable to the company prevent it from doing so. The Managing Board shall specify the reasons for invoking such important interests.

Article 12

Confidentiality

Each managing directors shall treat all information and documentation acquired within the framework of their position as managing director with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Supervisory or Managing Board, made public or otherwise made available to third parties, even after resignation from the Managing Board, unless it has been made public by the company or it has been established that the information is already in the public domain.

Article 13

Non-compliance, amendment.

- 13.1 Without prejudice to the provisions of article 1.2, the Managing Board may occasionally decide at its sole discretion not to comply with and adhere to these rules pursuant to a Managing Board resolution to that effect. Such resolution shall be referred to in the Managing Board's annual report.
- 13.2 These rules may be amended by resolution of the Managing Board to that effect and subject to the Supervisory Board's prior approval.

Article 14

Governing law and jurisdiction

- 14.1 These rules shall be governed by and construed in accordance with the law of the Netherlands.
- 14.2 The courts of The Hague, the Netherlands, shall have exclusive jurisdiction to settle any dispute arising from or in connection with these rules (including any dispute regarding the existence, validity or termination of these rules).

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ANNEX A

LIST OF ITEMS TO BE SUBMITTED BY THE MANAGEMENT BOARD TO THE SUPERVISORY BOARD OF FUGRO N.V.

These rules have been established in agreement between the Supervisory Board and the Managing Board of Fugro N.V. This document will replace the list of items to be submitted by the Managing Board to the Supervisory Board dated 29 August 1990.

Performance measures

The main performance standards for top management (Managing Board and Executive Committee) are sustainable improvement in shareholders value and company profits on a long-term basis with activities of the company. A long-term strategy plan and an annual profit plan, both approved by the Supervisory Board, are the basis for this. Other performance standards are:

- The market position
- The employment climate
- Financial policies
- Ethical attitude
- Durable long standing client relations
- Innovation

Authority

Approval:

Apart from the items mentioned in the law and the Articles of Association (By-laws) a number of practical criteria for items that shall be submitted for approval to the Supervisory Board have been defined.