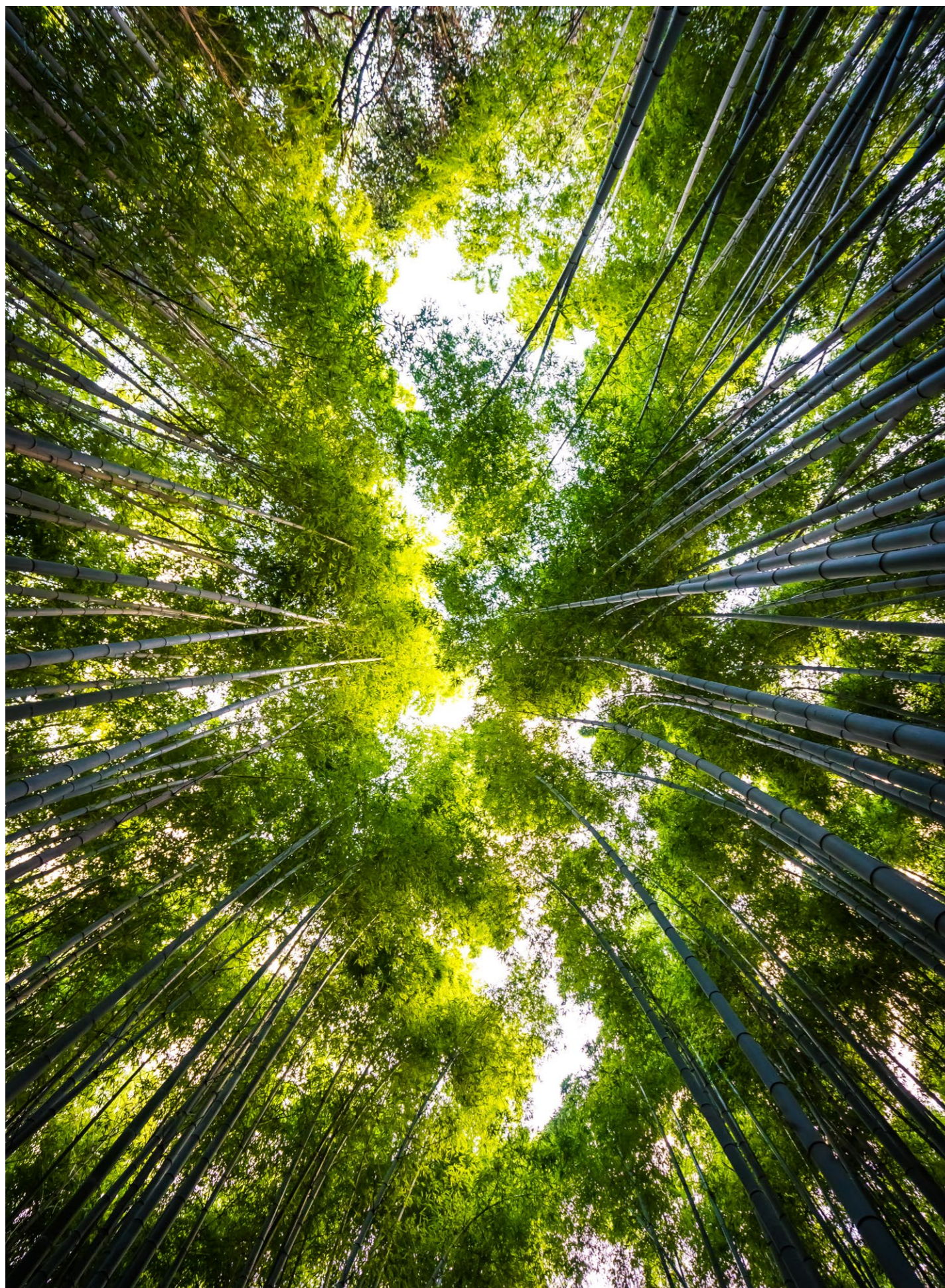


IHC FOUNDATION

ANNUAL REPORT



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PREFACE

We are pleased to present the annual report of the IHC Merwede Foundation for 2018.

With this report, the Executive Committee provides an insight to the financial status over the period from January through to December 2018, as well as an overview of main activities during this year.

One of the objectives of the IHC Foundation is to actively involve IHC employees in the activities of the Foundation. In 2018, an increasing number of employees were actively involved in the activities of the IHC Foundation by means of daily support, ambassadorship or actual contribution of knowledge and skills.

The Executive Committee would like to express its gratitude to all employees who contributed to or were involved in any of the IHC Merwede Foundation's activities.

The IHC Merwede Foundation Executive Committee

Dominique Nieuwpoort - van 't Hof (chairman)
Bert-Jan de Keijzer (treasurer)
Lars Huizinga
Maaïke de Jong
Vienna Lomonov
Arie Vergunst

ABOUT THE FOUNDATION

The IHC Merwede Foundation was established in 2012 as a consequence of IHC's CSR (corporate social responsibility) strategy. Through the Foundation, IHC would like to put the knowledge and passion of its employees to good use for the benefit of adults and children, to whom it could make a world of difference.

The Foundation was established in Sliedrecht and acts under the name Stichting IHC Merwede Foundation. It is registered under number 851985208 in the trade register of the Chamber of Commerce in Rotterdam. In 2018 it has been decided to change the logo of the foundation and to refer to the IHC foundation in our communication efforts in 2019 however, the registration of the Stichting IHC Merwede Foundation remains unchanged.

Since the date of establishment, the Dutch tax authorities have designated the IHC Merwede Foundation as a Public Benefit Organisation (ANBI – Algemeen Nut Beogende Instelling). This can be shaped either by the financial support of existing organisations or contributing to initiatives that employees can commit to around the world. Through the Foundation, IHC makes its activities visible in these areas, and by reporting on these, the company is accountable for spending its social and cultural budgets in a sustainable way.

OBJECTIVES

The IHC Merwede Foundation aims to contribute to a better life for those in need. The overall objective of the IHC Merwede Foundation is therefore primarily to support charitable projects in countries where the company conducts its business activities and its employees are directly involved in operations. The IHC Merwede Foundation has the responsibility of arranging:

- all charitable transactions regarding support to social and cultural organisations, or other organisations and people that serve the common good on behalf of IHC
- and all activities related or contributing to the previous point in its broadest sense.

EXECUTIVE COMMITTEE

The Executive Committee of the IHC Merwede Foundation is a representation of IHC's board members and employees of all the company clusters of IHC.

In 2018 the Executive Committee has made the following changes:

- Dominique Nieuwpoort - van 't Hof succeeded Hans Smit as chairman
- Maaïke de Jong and Vienna Lomonov joined the committee
- Maria Koutsopoulou and Hans Smit left IHC and left the committee

The members of the Executive Committee do not receive any remuneration for their IHC Merwede Foundation duties. The Executive Committee congregated ten times in 2018 and all of the IHC Merwede Foundation's activities are reported to the IHC Board of Management.

SELECTION CRITERIA

As the IHC Merwede Foundation has been appointed as a Public Benefit Organisation, all projects and initiatives should serve the common good.

Through the Foundation, IHC wishes to focus on projects and initiatives that are relevant to the products and services within IHC's portfolio and the expertise and dedication of its employees.

The following criteria have been defined for selecting projects within the IHC Merwede Foundation:

- cooperation with the local population, organisations and governments
- active involvement (passion and knowledge) of IHC employees
- project results are of a sustainable nature
- the IHC Merwede Foundation preferably supports projects of acknowledged organisations, both in The Netherlands and abroad.

PROJECT ORGANISATION

Enthusiastic ambassadors have been appointed for each project to stimulate the involvement of employees in the daily activities of the IHC Merwede Foundation. The ambassadors have the responsibility to: stay in contact with the project organisation; launch ideas on further cooperation; encourage the involvement of colleagues; and report to the Executive Committee. Each project will be supported by a member of the Executive Committee.

COMPANY PROFILE ROYAL IHC

In an ever-changing political and economic landscape, Royal IHC enables its customers to execute complex projects from sea level to ocean floor in the most challenging of maritime environments. We are a reliable supplier of innovative and efficient equipment, vessels and services for the offshore, dredging and wet mining markets.

With a history steeped in Dutch shipbuilding since the mid-17th Century, we have in-depth knowledge and expertise of engineering and manufacturing high-performance integrated vessels and equipment, and providing sustainable services. From our head office in The Netherlands and with around 3,500 employees working from sites and offices on a global basis, we are able to ensure a local presence and support on every continent.

Dredging operators, oil and gas corporations, offshore contractors, mining houses and government authorities all over the world benefit from IHC's high-quality solutions and services. With our commitment to technological innovation, in which sustainability and safety are key, we strive to continuously meet the specific needs of each customer in a rapidly evolving world.

FINANCIAL OVERVIEW



The annual budget of the IHC Merwede Foundation is €100,000 provided by IHC to support charitable projects on behalf of the entire IHC group. The IHC Merwede Foundation is not engaged in active fundraising, with the only exception that employees have the possibilities to donate part of the value of the Christmas present to the IHC Merwede Foundation.

The most important project category of the IHC Merwede Foundation is 'social and cultural initiatives'. In 2018, a total amount of €70,648 was spent on projects within this category. The second category the IHC Merwede Foundation is the sport initiatives. In 2018, in close cooperation with IHC's health strategy, sport initiatives to benefit charitable organisations were also organised and supported by with a total budget of €30,900. The last category includes 'individual employee initiatives'. With this category, the IHC Merwede Foundation supports initiatives in which individual employees are actively involved. For example, this could include participation in a charity walk or other fundraising activities. In 2018, an amount of €9,262 was spent on this category.

In 2018, all employees received a voucher allowing them to select a Christmas present via the online IHC Christmas Shop. This shop offered the possibility to donate (a portion of) the value of the voucher to selected projects of the IHC Merwede Foundation. The beneficiaries selected for 2018 include Ronald McDonald Huis, Mercy Ships, Breadline Africa and Stichting De Noordzee. We are pleased to declare that in 2018 the total of donations was €10,564. Breadline Africa will receive €2,305, Mercy Ships €3,078, the Ronald McDonald House Charities €2,754 and Stichting De Noordzee €2,427 in 2019.

Due to the closing date of the Christmas shop, the donations of 2018 will appear on the annual financial balance of 2019. The donations pledged in 2017 are included in the financial statements of this report.

ACTIVITIES 2018

SOCIAL AND CULTURAL INITIATIVES

The focus of the IHC Merwede Foundation, with the involvement of its employees, is to support social and cultural initiatives in the regions where IHC is active. In 2018, several projects with long-term commitment started in previous years were continued and some new projects started, for example Missing Maps and the Beach Clean Up tour of Stichting De Noordzee. An overview of some of the main social and cultural initiatives is highlighted below.



MERCY SHIPS

Maintenance of the hospital ship AFRICA MERCY

Beneficiary: Mercy Ships

Donation in 2018: €8,559

Total cumulative donations: €34,508

Mercy Ships, an international medical relief organisation, provides free medical care in developing countries on board the largest non-governmental hospital ship in the world: the AFRICA MERCY. Volunteering medical professionals provide surgeries and healthcare to treat a wide range of problems to patients with little or no access to medical care.

In 2018, the IHC Merwede Foundation enabled five IHC employees to travel to Las Palmas, Gran Canaria, to volunteer during the annual maintenance period of the AFRICA MERCY by taking care of the travel and accommodation expenses.

During the 'dock period', AFRICA MERCY came back from its field work in Camaroon to have its annual two-month maintenance. Our colleagues worked for two weeks on the ship to help with the repairs. After the docking period, AFRICA MERCY returned to Cameroon to continue its activities.

BEACH CLEANUP TOUR 2018

Cleaning up the North Sea coast

Beneficiary: Stichting De Noordzee

Donation in 2018: €12,100

Total cumulative donations: €36,300



Since 2013, Stichting De Noordzee organises the Boskalis Beach Cleanup Tour in close collaboration with Boskalis. In two weeks' time the beach of the complete North Sea coast is cleaned in stages from north to south and from south north, meeting in the middle. Every stage an average of 10 kilometers of beach is cleaned and as much garbage as possible is collected.

The main goal of the CleanUp tour is to show the public the amount of garbage left on the beach, which if not cleaned properly will drift ashore.

In 2018, a total of 2,764 volunteers cleaned the beach and together and collected 11,163kg of garbage. 60 volunteers participated in cleaning the beach, of which 30 IHC employees and/or family members and friends. "The beach CleanUp tour was a great day nothing to add here - just a very special day" says Monique Rogaar, Learning Consultant at the Royal IHC Academy and participant of the Beach CleanUp tour 2018.

Ever since the first edition of the Beach CleanUp tours in 2013 Stichting De Noordzee collected 83,518kg garbage from the Dutch beaches with the help of 11,889 volunteers.



MISSING MAPS

Missing Maps 2018

Beneficiary: Dutch Red Cross

Donation in 2018: € 2,500

The IHC Foundation, in collaboration with Group IT, organised a so-called Missing Maps Mapathon. This is an event in collaboration with Missing Maps where everyone from the IHC company could participate and draw maps to help the Dutch Red Cross.

Missing Maps is an open, collaborative project in which everyone can help map areas where humanitarian organisations are trying to meet the needs of vulnerable people. Each year, disasters around the world kill nearly 100,000 and affect or displace 200 million people. Many of the places where these disasters occur are literally 'missing' from any map and first responders lack the information to make valuable decisions regarding relief efforts.

The event took place in the late afternoon and evening in Kinderdijk. Where we started with some background information and instructions by Koos Krijnders of Missing maps. Followed by a shared pizza break with some soft drinks and after this we started mapping for three hours. We specifically mapped an area in Malawi. In total 42 mappers participated and mapped 20,393 buildings and 1,632km of road.

UNICEF GIVE A DAY

Donate vacation hours

Beneficiary: UNICEF

Donation in 2018: €10,635

Total cumulative donations: €20,635



SALT FARM FOUNDATION

Donation for the purchase of a seaweed centrifuge

Donation in 2018: €9,000

Salinisation is one of the major threats to agriculture worldwide. Globally, about 20% or 63 million ha of all irrigated arable land is salt affected (about the size of France). After more than 10 years of research, together with the partner organisation Saline Farm, they have successfully identified and grown various varieties of crops in saline conditions. This method has proven successful in Pakistan where farmers had 40% more yield (potatoes) than conventional methods.

For these methods seaweed is an important ingredient. The IHC Merwede Foundation sponsored the purchase of a seaweed centrifuge, which reduces the drying time. This makes the product even more sustainable.



For the UNICEF 'Give a Day' initiative, the employees of IHC (who are paid in The Netherlands) can donate their vacation hours, reduction of working hours, time-for-time and/or compensation hours to UNICEF. By participating in the 'Give a Day' campaign UNICEF can help vulnerable children from Syria and surrounding countries to get through the cold months and give them hope for the future.

With the value of 8 hours, UNICEF can provide children with, for example:

- 16 thermal blankets: UNICEF provides children and babies with thermal blankets in hospitals, shelters and during emergencies, or
- one heated classroom: the freezing cold and storm will soon plague the Middle East. With the value of one day you keep a classroom warm during the winter.

The result of the donations of hours was € 10,635.



TOGETHER FOR ZAMBIA

Financial support, knowledge and materials

Beneficiary: 5x Beter and Stichting Hetty Denen voor Zambia

Donation in 2018: €5,200

Total cumulative donations: €41,491

In 2018 the IHC foundation was closely involved in the 'Together for Zambia' project. It is not the first time that the IHC Foundation was involved in this project. In 2013, a joint venture was initiated by 5x Beter and the Hetty Denen Foundation. The aim of this project is to give young people in Zambia a better future through training in the metal sector.

The IHC Foundation supports this project by offering financial support, knowledge and materials to the Chikupi Vocational Training Centre in Zambia. In September it turned out that they want to use a fallow piece of land for growing fruit and vegetables. By using this land, they want to generate more income which they can invest in educational resources and buildings. For this expansion, an additional well must be drilled and invested in a water pump. The IHC Foundation decided at the end of December to not only invest in the well and the water pump, but also in the maintenance for the next two years.

This will again take major steps towards a more future-proof training centre for the region and the future of the young people in Zambia.



SPORT INITIATIVE

TOUR FOR LIFE

Cycling Tour

Beneficiary: Daniel den Hoed Foundation

Donation in 2018: €30,000

Total cumulative donations: €69,000

IHC team cycles €86,000 together for the Daniel den Hoed Foundation. On 26 August 2018, 11 IHC riders together with 200 other cyclists started an eight-day cycling tour of 1,300km. This start was in Bardonecchia in Italy and the finish in Sittard at the Tom Dumoulin bike park.

During the first day two high cols had to be conquered: the Mont Cenis with a length of more than 30km and the Col de L'iseran with the summit at 2,770 meters altitude. After an overnight stay at the campsite in Bourg Saint Maurice, the second day the Cormet de Roselend, the Col de Saisies and the Plaine Joux conquered. Afterwards the journey continued through the Jura, the Vosges, the French Ardennes and the Belgian Ardennes with again many climbs and descents. The distance traveled per day was about 180km. The nights were spent at campsites where the IHC guidance team had set up the tents. During each stage, the IHC riders were supported and cared for at two locations by the coaching team.



All IHC riders have reached the finish in good health, this is partly due to the many kilometers that have been covered as training in the preliminary stage and the good preparations by the entire team.

The amount of €86,000 has been reached by suppliers who have deposited an amount, colleagues, friends and family who have supported the trip and personal promotions, such as deposit vouchers collections in supermarkets, sale of Easter eggs and orange tompoucen, etc. etc. The Tour for Life was also supported by the IHC Merwede Foundation, which contributed a good amount (€30,000).

On 2 September a check for a total of €1,021,000 was handed over to the Daniel den Hoed Foundation. The proceeds will go to the purchase of an electron microscope and groundbreaking cancer research. The IHC team is happy that they have been able to contribute in this way. On the Tour for Life website (tourforlife.nl) and YouTube you will find daily films of each stage, these films give a good impression of the event and a number of IHC people have also been interviewed.

The riders of IHC were: Lauw Vos, Ric Immens, Pim Keijzer, Jan Terpstra, Rudolf ter Haar, Peter Wemmers, Theo Rutten, Adriaan Ringoir, Evert van der Linde, Mark Welten and Henk Kreuk. The coaching team consisted of: Gerard Eggink, Ans Beijen, Joleijn Hakkesteegt, Marijke Stierman, Arie Stierman and Gitte van Niekerk.

INDIVIDUAL EMPLOYEE INITIATIVES

Annually, a certain amount of the budget of the IHC Merwede Foundation is allocated for individual employee initiatives. All IHC employees are encouraged to participate in charitable activities. In 2018, €9,262 was donated to individual initiatives. A variety of organisations have been supported in this way by the IHC Merwede Foundation. Here are some examples:



MONGOL RALLY 2018

15,000km car rally to Mongolia

IHC employee Ramon van der Valk

Beneficiary: Dutch Cancer Society (KWF) and CoolEarth

Donation in 2018: €500

On 15 July, 2018 teams from all over the world gathered together in Prague, Czech Republic for the official start of the Mongol Rally. The rally is all about adventure, getting lost, repair your car in the middle of nowhere and is an unforgettable experience to raise money for charity. It is an adventurous road trip of more than 15,000 kilometers to Mongolia in a tiny car over rough areas and through countries most people can't point out on a map. The route demanded a lot from three cousins (of which one works for IHC) and their 35-year-old VW Beetle, but without major problems they reached the finish line after 50 days of driving.

An additional dimension was added to this adventure, because money was raised for the Dutch Cancer Society (KWF) and CoolEarth. Together with the help of the IHC Foundation a total of €5,275 was transferred to the charities to support scientific research about cancer and to halt deforestation. More information about the complete journey can be found on their website: cousinsscoringcountries.nl



HOEK TOT HELDER

140km Kitesurf-marathon

IHC employees Jasper Gerritsen and Peter Harenberg

Beneficiary: Dutch Heart Foundation

Donation in 2018: €1,000

'Hoek tot Helder' is a kitesurf-'marathon' where we kitesurf in a single day from Hoek van Holland to Den Helder, which is about 140km. Together we are raising money for the Dutch Heart Foundation. In this year's event we are with a group of 300 kite surfers and we raised more than €350,000. The IHC foundation is sponsoring us by donating money which will be given to the Dutch Heart Foundation.



"It is quite a challenge to kitesurf such a long distance in one day. During the day multiple stops are made for food and water, for our safety jeeps are driving on the beach and boats are sailing with us. By doing something I love I am able to raise money and awareness for charity which makes the project very rewarding", says Jasper Gerritsen

For more information about this fundraising event please look at hoektohelder.nl or the official website of the charity: hartstichting.nl

SKATING ON THE WEISSENSEE

- Skating event in Austria
- IHC employee: Michiel Verzijden
- Beneficiary: Hartekind Foundation
- Donation in 2018: €500

Every year 1,500 children are born in The Netherlands with a congenital heart defect. Approximately two-thirds of these children must undergo severe open-heart surgery or cardiac catheterisation shortly after birth to survive. And if the heart defect is serious, then one operation is often not enough. Moreover, the child's heart is not normal after the operation and the children often have many limitations and a shorter life expectancy.

The Hartekind Foundation is the only charity in the Netherlands that is exclusively committed to scientific research into congenital heart defects in children. Our goal is better chance of survival for heart children and improving the daily quality of life. We want to achieve this by stimulating and financing relevant scientific research and supporting projects and initiatives such as the PacePro and the Hartpas. Finally, we want the public to become aware of the impact of congenital heart defects in children.

According to Michiel "It is a blessing to be able to sport, and it brings another level of motivation if you can contribute to a good cause. The motivation is even larger if you see a seven-year-old hero skating 75km with half a heart and a pacemaker".

If you want to read more about this event, please go to the website: hartekind.nl/evenementen/weissensee-2020



OUTLOOK FOR 2019



The IHC Merwede Foundation will continue its activities in 2019 as well. A focus point is the involvement of IHC employees in the activities of the IHC Merwede Foundation. We have the aim to organise a promotion tour including various IHC locations to involve more employees. We will also introduce our new logo officially and used this in official communication.

In 2019 the Executive Committee cooked for the Ronald McDonald house in Rotterdam where the parents of children with long term illnesses can stay to be somewhat unburdened.

Some of the 2018 projects will be continued in 2019 and other projects will no longer be supported by the IHC Merwede Foundation. For example, in the summer of 2019 the IHC foundation will send another group of employees to Mercy Ships' AFRICA MERCY. We will also continue the project 'Samen voor Zambia' as well.

The IHC foundation has a full and diverse portfolio of projects and the Executive Committee will continue the dialogue with potential project partners and external organisations.

FINANCIAL STATEMENTS 2018

BALANCE SHEET (AFTER ALLOCATION OF RESULTS)

IN EUROS	NOTES	31-12-2018	31-12-2017
Current assets			
Other receivables and accrued assets	1	5,000	5,000
Cash and banks	2	53,899	52,287
Total		58,899	57,287
Capital			
Unappropriated results	3	36,449	23,882
Current Liabilities			
Other liabilities and accruals	4	22,450	33,405
Total		58,899	57,287

PROFIT AND LOSS ACCOUNT

IN EUROS	BUDGET 2018	ACTUALS 2018	ACTUALS 2017
Donations			
Annual contribution Merwede Holding BV	100,000	100,000	100,000
Donations suppliers Christmas	5,000	2,150	4,285
Donations employees' Christmas boxes	10,000	11,317	9,126
Contribution Services Beach CleanUp	5,000	-	5,000
Contribution employees UNICEF 'Give a Day'	10,635	10,635	-
Other donations	-	-	62
Total donations	130,635	124,102	118,473
Allocations			
Social and Cultural Projects	90,635	70,648	102,718
Sports initiatives	30,000	30,900	1,000
IHC employee initiatives	8,000	9,262	3,480
Total allocations	128,635	110,810	107,198
Other costs	2,000	724	232
Total costs	130,635	111,535	107,430
Net result	-	12,567	11,043

GENERAL

The financial statements are stated in accordance with general accounting policies.

ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

Assets and liabilities are stated at cost, unless indicated otherwise. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value. Income and costs are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

RECEIVABLES, CASH, LIABILITIES AND ACCRUALS

Receivables, cash, liabilities and accruals are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

ACCOUNTING POLICIES FOR DETERMINING THE RESULT

The result is determined as the difference between the income and all corresponding costs that can be allocated to the financial year. Costs are recognised to the financial year in which the donations are committed.

NOTES TO THE BALANCE SHEET

IN EUROS	NOTES	31-12-2018	31-12-2017
Current assets			
Other receivables and accrued assets	1		
Other receivables		5,000	5,000
Cash and banks			
The bank balance is freely available	2		
Capital			
Unappropriated results	3		
Balance as 1 January		23,882	12,839
Result		12,567	11,043
Balance as at 31 December		36,449	23,882
Current liabilities			
Other liabilities and accruals	4		
Stichting Jarige Job		750	
Herv. Gemeente Maranatha Nieuw Lekkerland (Malawi project)		500	
Stichting Umutima foundation (voedingscentrum)		500	
KIKA/Deme4life		2,500	5,000
ALS Liga België vzw/Deme4life		2,500	
Stichting clubhuis Hilleegersberg (nieuwbouw scouting)		500	
Stichting Smart Parks (rhino protection)		500	
Stichting Hetty Denen voor Zambia		5,200	
KWF Kanker bestrijding (Samen loop voor hoop)		500	
Stichting Salt Farm Foundation (Saltfarm Interreg)		9,000	
UNICEF 'Give a Day'			10,000
Multicultural center Greece refugees			10,000
Mercy Ships (maintenance hospital ship)			4,405
Maldives Matter			4,000
		22,450	33,405

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