

Annual Report

2013



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Preface

2013 has been the first operational year for the IHC Merwede Foundation. After a planning period in 2012 - in which the Executive Committee prepared all the necessary documents for the Dutch tax authorities, defined the selection criteria for projects and started communicating with IHC Merwede employees - the IHC Merwede Foundation was ready to launch its first projects.

Although various projects and initiatives were proposed by IHC Merwede employees, the Executive Committee faced the challenge of selecting projects that comply with all of the selection criteria and the IHC Merwede Foundation's main aim of really making a difference.

Looking back at 2013, the IHC Merwede Foundation has successfully started cooperating with a few organisations, such as Samen voor Zambia and The Winddrinker. In addition, several other projects and initiatives were supported due to the dedication and effort of IHC Merwede's employees.

Within this report, the Executive Committee provides stakeholders with an insight into the financial status over the period from January through to December 2013 - as well as an overview of all activities during the year.

In conclusion, the Executive Committee would like to express its gratitude to all employees and suppliers, who were actively involved in any of the IHC Merwede Foundation's activities.

The IHC Merwede Foundation Executive Committee,

Dave Vander Heyde
Bert Jan de Keijzer
Frans Lunenburg
Johan van Vuuren



About the IHC Merwede Foundation

The IHC Merwede Foundation was established in 2012 as a consequence of IHC Merwede's CSR (corporate social responsibility) strategy. Through the Foundation, IHC Merwede 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.

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). The Foundation will arrange all charitable transactions to support social and cultural organisations that serve the common good on behalf of all the enterprises in the IHC Merwede group.

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 Merwede 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 everyone. 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 all the enterprises in the IHC Merwede group
- 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 Merwede's board members and employees of both the company's Dredging and Offshore divisions.

In 2012, some changes were made to the composition of the Executive Committee after two board members left the IHC Merwede group.

By the end of 2013, the members of the Executive Committee included:

- Mr DAAJAG Vander Heyde (Treasurer and Secretary)
- Mr BJ de Keijzer
- Mr FW Lunenburg
- Mr J van Vuuren

The members of the Executive Committee do not receive any remuneration for their IHC Merwede Foundation duties.

The Executive Committee congregated twice in 2013 and all of the IHC Merwede Foundation's activities are reported to the IHC Merwede 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 Merwede wishes to focus on projects and initiatives that are relevant to the products and services within IHC Merwede'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 Merwede 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 IHC Merwede

IHC Merwede is focused on the continuous development of design and construction activities for the specialist maritime sector. It is the global market leader for efficient dredging and mining vessels and equipment - with vast experience accumulated over decades - and a reliable supplier of custom-built ships and supplies for offshore construction.

IHC Merwede has in-house expertise for engineering and manufacturing innovative vessels and advanced equipment, as well as providing life-cycle support. Its integrated systematic approach has helped to develop optimum product performance and long-term business partnerships.

The company's broad customer base includes dredging operators, oil and gas corporations, offshore contractors and government authorities.

IHC Merwede has over 3,000 employees based at various locations in The Netherlands, Brazil, China, Croatia, France, India, Malaysia, the Middle East, Nigeria, Singapore, Slovakia, South Africa, the United Kingdom and the United States.

Technology innovation will remain the company's underlying strength through its continuous investment in research and development. Moreover, it helps to safeguard a sustainable environment.



Activities in 2013

In principle, the annual budget of the IHC Merwede Foundation is € 100,000. This is provided by IHC Merwede Holding to support charitable projects on behalf of the entire IHC Merwede group. Furthermore, the IHC Merwede Foundation is not engaged in active fundraising. The only exceptions are Christmas donations made by IHC Merwede suppliers and other specific requests for donations.

Financial overview

The main project category of the IHC Merwede Foundation is “social and cultural initiatives”. In 2013, a total amount of € 76,400 was spent on projects within this category. This includes a reservation of € 40,000 to be donated to the Winddrinker in 2014. In close cooperation with IHC Merwede’s health strategy, a variety of sports initiatives raised the sum total of € 25,050 for the benefit of charitable organisations.

The “other costs” category helps to keep the Foundation running, with expenditure for the rental of materials and mediation. In 2013, this category represented about 1.4% of the IHC Merwede Foundation’s total budget.

Division budgets

The former three main divisions of IHC Merwede – Dredging, Offshore and Technology & Services – have a certain level of budget available from the IHC Merwede Foundation to support initiatives in which employees are actively involved. For example, this includes participation in a charity walk or any other fundraising activity.

At the beginning of the year, a budget of € 10,000 was allocated to each division. At the end of the year, however, it appeared that the divisions had spent much less than this amount. For this reason, the remaining budget was appointed to the “social and cultural initiatives” category by the Executive Committee.

The total amount spent by the three divisions was € 5,400. Based on the expenditure in 2013 and the recent changes to the divisional structure, a redistribution of the budget will be made in 2014.

IHC Merwede suppliers’ Christmas donations

By the end of 2013, all of IHC Merwede’s suppliers were informed about the establishment of the IHC Merwede Foundation. At the same time, they were asked not to send traditional Christmas gifts, but to make a financial contribution to the Foundation. In total, an amount of € 4,595 was donated by the company’s suppliers. This amount was doubled by the IHC Merwede Foundation for the benefit of Samen voor Zambia (an initiative of the Hetty Denen Foundation and 5X Beter). The organisation used this budget for the purchase of basic furniture for its education centre.

B Kips and F Brouwer’s farewell donations

In 2013, the former CFO of IHC Merwede, Mr F Brouwer, and the director of IHC Merwede’s yard in Sliedrecht, Mr B Kips, formally retired from their functions and activities. Both of them communicated to the guests at their farewell party that donations to the IHC Merwede Foundation would be highly appreciated instead of gifts. In total, this led to an extra budget of € 9,467, which will also be donated for the benefit of the Samen voor Zambia initiative by special request. After consideration with all parties involved, it was decided to use this budget for knowledge transfer at a later stage in the development of the project.

Social and cultural initiatives

The main focus of the IHC Merwede Foundation is supporting social and cultural initiatives with the involvement of its employees. In its first operational year, several projects were started, including some long-term commitments to support initiatives by sustainable organisations. An overview of the main social and cultural initiatives is highlighted in the following pages.

Samen voor Zambia

Beneficiary: Stichting Hetty Denen Foundation
Total donation 2013: € 10,400

Samen voor Zambia is a collaboration initiated by the Hetty Denen Foundation and 5xBeter. The latter is a cooperative project between the Dutch employers' organisation and the labour unions representing the metal industry to improve working conditions in production facilities.

The aim of the Samen voor Zambia initiative is to contribute to a better future for younger people in Zambia by providing them with education and employment within the metal industry.

Together with the board and teachers of the St Ambrose Trade Centre, Samen voor Zambia has two fundamental aims:

- to supply machinery for the workshop and personal protection equipment for students and employees to improve safety during the manufacturing of products for the Zambian market
- and to transfer knowledge on the safe and optimal use and maintenance of the machinery.



The IHC Merwede Foundation warmly supports this initiative and would like to contribute - both financially and practically - by using the knowledge and experience developed within the IHC Merwede Technisch Opleidings Centrum.

In 2013, the IHC Merwede Foundation doubled the Christmas donations from IHC Merwede's suppliers and gave the entire amount to Samen voor Zambia. The organisation used this donation for the purchase of basic classroom furniture, such as benches, welding tables, hand trucks, cupboards and personal protective equipment.

All of the products arrived in Zambia during September 2013. The IHC Merwede Foundation is currently considering further cooperation with Samen voor Zambia in terms of knowledge transfer. This initiative will be continued in early 2014.

House of Hope, India

Beneficiary: Rays of Hope Ministries, India
Total donation 2013: € 5,000

The House of Hope is funded by the Rays of Hope Ministries in India: an indigenous humanitarian NGO supporting (among others) children from the slums, orphans, and children and families affected by HIV. The Rays of Hope Ministries strives to make a difference to one life at a time.

The IHC Merwede Foundation came into contact with this organisation via an IHC Merwede employee, who was stationed in Mumbai, India, during a traineeship.

A financial donation was made to the Rays of Hope Ministries to provide daily meals for children in the slums. The continued support of the House of Hope is planned for 2014.



Activities in 2013

The Winddrinker

*Beneficiary: Aqua for All
Reservation 2013: € 40,000*

In 2013, the IHC Merwede Foundation was introduced to the organisation behind the Winddrinker: a decentralised, wind-powered system that produces high-quality water from brackish water using wind power and a desalination system. This desalination system is well known in the maritime industry and regularly installed on board IHC Merwede vessels.

The first prototype of the Winddrinker was built and installed in Berbera, Somaliland – a brackish-water region, where the population faces a shortage of fresh drinking water. The technology behind the Winddrinker was proven to work and the prototype produced high-quality drinking water from brackish ground water. After the Winddrinker has been optimised, it will also be installed in the Republic of Kenya.

The IHC Merwede Foundation expressed an interest in supporting this initiative, because of the close relationship between wind energy and water. These are industries in which IHC Merwede has years of experience and knowledge, and is therefore able to contribute to the further development and optimisation of the Winddrinker.

By the end of 2013, a financial reservation was made to support the ongoing development of the Winddrinker from 2014 onwards.



Regionale Voedselbanken

*Beneficiary: Regionale Voedselbanken
Total donation 2013: € 12,000*

In 2013, all IHC Merwede employees were given the opportunity to donate their Christmas box to the IHC Merwede Foundation. The beneficiaries from this initiative include regional food banks, which are non-profit making charitable organisations that distribute food to those who are experiencing financial difficulties.

More than 100 employees from IHC Merwede's Dutch locations donated their Christmas box in 2012, which resulted in a total donation of € 8,000. The IHC Merwede Foundation added another € 4,000 to this amount.

The grand total of € 12,000 was divided between the food banks in Alblasterdam, Delft, Krimpen a/d IJssel, Oosterhout and Sliedrecht. With this donation, more than 900 families were supported around IHC Merwede's locations in Alblasterdam, Delfgauw, Hardinxveld, Kinderdijk, Sliedrecht, Raamsdonkveer and Krimpen aan den IJssel.

Sports initiatives

Related to the internal programmes on health and safety, IHC Merwede organises several annual sports activities for its employees. The IHC Merwede Foundation contributes by creating the link between sports activities and charity. In 2013, more than € 25,000 was donated to social organisations as a result of the active involvement of IHC Merwede employees in sports activities.

Spinning marathon

*Beneficiary: KWF (Dutch Cancer Society)
Total donation 2013: € 20,000*

IHC Merwede organises an annual spinning marathon to raise money for Alpe d'Huzes. This is an initiative of the Dutch Cancer Society (KWF) that encourages people to convert the sense of powerlessness caused by cancer into one of strength. During this three-hour event, IHC Merwede employees cycle to collect money for this initiative.

Contrary to previous years, IHC Merwede did not have a team participating in the actual Alpe d'Huzes event. However, the spinning marathon organised prior to the official activities turned out to be a huge success. The participating employees collected a total amount of € 20,000 to donate to the Dutch Cancer Society.

The IHC Merwede Foundation doubled this amount and a total donation of € 40,000 was made to the KWF kankerbestrijding.



Other sports initiatives

In 2013, several employees participated in sports activities sponsored by the IHC Merwede Foundation.

These included the:

- Dam tot Damloop
- Verkerkloop
- Ronde van Nedstaal

The Dam tot Damloop as well as the Ronde van Nedstaal serve several social organisations. The IHC Merwede Foundation donated a total of € 2,500 for the participation of IHC Merwede employees in the Dam tot Damloop and € 1,250 to the Ronde van Nedstaal.

The beneficiary of the Verkerkloop 2013 was the Stichting Move for MS, which received a donation of € 950.

Division initiatives

A certain amount from the total annual budget of the Foundation is allocated to the three main divisions of IHC Merwede to support initiatives that have a direct involvement from employees.

Child Care India

Beneficiary: Stichting Child Care India

Total donation 2013: € 2,500

Child Care India was founded in June 2009 and cooperates with the local organisation, Rural Community Trust, in Mugaiyur to create a healthy environment for all children – irrespective of age, religion, gender or family background.

The donation to Child Care India by the IHC Merwede Foundation is directly related to the launch of the DCI DREDGE XX for the Dredge Corporation of India in February 2013.

Variety of sponsorship activities

Total donations 2013: € 2,900

All IHC Merwede employees are encouraged to support charitable activities. Several employees were supported by the IHC Merwede Foundation in charity walks, cycling and swimming events. A variety of foundations and institutions have been supported in this way by the IHC Merwede Foundation. Some examples of beneficiaries include:

- Stichting steun het Prinses Maxima Centrum
- Stichting Jeugdzorgwerk Nederland
- Regionaal Comitee Unicef Drechtsteden
- Duchenne Parent Project
- Stichting Vrienden van de Hoop
- Artsen Zonder Grenzen
- CliniClowns

Perspective for 2014

The main objective of the IHC Merwede Foundation for 2014 is to continue supporting social and cultural initiatives with the dedication of IHC Merwede employees. Regular ambassador meetings will be organised after the Executive Committee has appointed ambassadors to each project. The aim of these meetings is not only to raise the ambassadors' awareness of the IHC Merwede Foundation's different projects, but also to create a platform where experiences and challenges can be shared. Members of the Executive Committee will actively participate in these meetings to improve the involvement of and communication with IHC Merwede employees.

- The cooperation with Samen voor Zambia will continue in 2014. The main focus will be the transfer of knowledge, based on the expertise from IHC Merwede's Technisch Opleidings Centrum. Whether this involves the transfer of an IHC Merwede employee to Zambia, or vice versa, will be discussed between all of the parties involved and decided at the beginning of 2014.
- Based on the initial meetings with the organisation behind the Winddrinker, a reservation of € 40,000 was made for 2014. This budget will be used for financial support to further develop and improve the installation, as well as the transfer of knowledge.
- The Executive Committee of the IHC Merwede Foundation intends to support about four main projects each year. Different options for 2014 are currently being explored. In addition, budget will be allocated for smaller social and cultural activities, sports events and initiatives from employees regulated by the divisions of IHC Merwede.
- In cooperation with IHC Merwede's health department, an overview of sports initiatives will be prepared in 2014. Scheduled programmes already include the spinning marathon and participation in the worldwide initiative September.
- Other initiatives are scheduled for 2014, such as donating the Christmas box and the request for suppliers to donate to the IHC Merwede Foundation instead of supplying Christmas gifts.
- Due to some organisational changes within the IHC Merwede group and the limited budgets held by the divisions in 2013, the Executive Committee will restructure the budget allocation for 2014. This will not adversely affect the budget available for social and cultural initiatives, and there will still be an opportunity for IHC Merwede employees to contribute to any charitable organisation or activity supported by the IHC Merwede Foundation.

Financial statements 2013

Profit and loss account (Euro)

	Budget 2013	Actuals 2013	Actuals 2012
Donations			
Annual contribution from IHC Merwede	100.000	100.000	-
Suppliers' donations Christmas 2012	-	2.150	3.050
Suppliers' donations Christmas 2013	2.500	2.445	-
Donations from employees' Christmas boxes	-	8.000	-
Farewell donations for B Kips/F Brouwer	-	9.467	-
Others	2.000	2.330	-
Total donations	104.500	124.392	3.050
Costs			
Not yet allocated gifts	51.000	-	-
Samen voor Zambia (suppliers' donations)	-	10.400	-
The Winddrinker	-	40.000	-
House of Hope India	-	5.000	-
Regionale Voedselbanken	-	12.000	-
Artsen Zonder Grenzen: Noodhulp Filipijnen	-	1.000	-
Foundation Guereo: Reparatie school Guereo	-	500	-
Nationaal Baggermuseum: Museumfiets	-	2.500	-
Kinderkankerfonds België via DEME4Life Foundation	-	5.000	-
Total social and cultural projects	51.000	76.400	-
Verkerkloop	1.000	950	-
Benefietvoetbaltoernooi Vrienden van de Hoop	-	350	-
Spinning marathon	20.000	20.000	-
De Ronde van Nedstaal	1.000	1.250	-
Dam tot Damloop	-	2.500	-
Total sports initiatives	22.000	25.050	-
Dredging Division	10.000	3.900	-
Offshore Division	10.000	500	-
Technology & Services Division	10.000	1.000	-
Total costs division initiatives	30.000	5.400	-
Spinning marathon bike rental	-	847	-
Mediation for the Winddrinker	-	667	-
Other	1.500	239	10
Total other costs	1.500	1.753	10
Result for the year	-	15.789	3.040

The result will be added in full to the 2014 annual budget to be donated to social and cultural or sport initiatives.

Balance sheet

(Euro, after allocation of the result)

	Notes	31 December 2013	31 December 2012
CURRENT ASSETS			
Other receivables and accrued assets	1	8.166	3.040
Cash and banks	2	63.163	-
Total		71.329	3.040
LIABILITIES			
CAPITAL			
Unappropriated results	3	18.829	3.040
CURRENT LIABILITIES			
Other liabilities and accruals	4	52.500	-
Total		71.329	3.040

Notes to the financial statement

General

The financial statements are stated in accordance with general accounting policies

Accounting policies for the valuation of assets and liabilities

General

Assets and liabilities are stated at cost, unless indicated otherwise. Valuation of assets and liabilities, and determination of the results 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 realised on the balance sheet data.

Notes to the balance sheet

(Euro, after allocation of the result)

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

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.

	Note	31-12-2013	31-12-2012
CURRENT ASSETS			
Other receivables and accrued assets	1		
Donations from employees' Christmas boxes		8.000	-
Other receivables		166	-
		<u>8.166</u>	<u>-</u>
Cash and bank			
	2		
The bank balance is freely available.			
CAPITAL			
Unappropriated results	3		
Balance as at 1 January 2013		3.040	-
Result		15.788	3.040
Balance as at 31 December 2013		<u>18.828</u>	<u>3.040</u>
CURRENT LIABILITIES			
Other liabilities and accruals	4		
Museum fiets Baggmuseum		2.500	-
Goed doel door Deme foundation		5.000	-
House of hope India		5.000	-
The Winddrinker in Kenya		40.000	-
		<u>52.500</u>	<u>-</u>

IHC Merwede

P.O. Box 204, 3360 AE Sliedrecht
Molendijk 94, 3361 EP Sliedrecht
The Netherlands

T +31 184 41 15 55
F +31 184 41 18 84

info@ihcmerwede.com
www.ihcmerwede.com