



GLOBAL SHARE PLAN
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TAX INFORMATION SUPPLEMENT 2020 UNITED STATES



This supplement has been prepared to provide you with a summary of the tax consequences of the Arcadis NV 2012 Employee Stock Purchase Plan (the “US ESPP”). The description of the tax consequences is not decisive when completing your personal income tax return.

All capitalized terms used herein are used as they are defined or used in the US ESPP or the Global Share Plan.

This summary assumes that you are a United States tax resident. The tax results outlined below may differ if you are not a United States tax resident from the beginning of the Offering Period to the date of disposition of the Arcadis NV shares. The information provided below does not constitute personal tax advice and is based on the tax and other laws concerning stock purchase rights in the United States as of January 2020. Such laws are often complex and change frequently. As a result, the information contained in this Tax Information Supplement may be out of date by the time you purchase, or you sell the Arcadis NV shares you acquire under the US ESPP. The information contained in this Tax Information Supplement may not apply to your particular tax or financial situation, and Arcadis NV is not in a position to assure you of any particular tax result. **Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax laws in your country apply to your specific situation.**

The US ESPP is intended to constitute an “employee stock purchase plan” within the meaning of Section 423(b) of the Internal Revenue Code of 1986, as amended, and therefore, to qualify for the favorable tax treatment awarded to such plans in the United States. Please note, however, that Arcadis NV does not guarantee this qualification or commit to maintain it.

This Tax Information Supplement is provided to you because you are a tax resident of the United States employed by an Arcadis NV group company located in the United States and Arcadis NV has granted you the option to purchase shares in Arcadis NV at a purchase price that is lower than the fair market value of the shares on the Purchase Date.

TAX INFORMATION

1 DATE OF GRANT OF PURCHASE RIGHT

On the date you enroll in the Plan and you are granted a Purchase Right to purchase Arcadis NV shares against a discounted purchase price, you are not subject to taxation.

2 PURCHASE DATE

On the date your accumulated savings are used to purchase Arcadis NV shares against a discounted purchase price, you will not be subject to federal income tax or social security contributions.

3 SALE OF ARCADIS NV SHARES

The tax treatment will depend on whether you hold the Arcadis NV shares for more than two years after the beginning of the relevant Offering Period.



3.1 ARCADIS NV SHARES ARE HELD FOR MORE THAN TWO YEARS

If you hold the Arcadis NV shares purchased under the US ESPP for more than two years after the beginning of the Offering Period, or you die while holding the shares, you will recognize ordinary income at the time of sale. The amount of ordinary income will be equal to the lesser of: (a) the actual gain (i.e. the amount by which the fair market value ("FMV") of the shares on the date of sale exceeds the Purchase Price), or (b) the discount on the purchase price as computed on the first day of the Offering Period. All additional gain upon the sale of Arcadis NV shares is treated as long-term capital gain. If the Arcadis NV shares are sold and the sale price is less than the Purchase Price, there is no ordinary income and you will have a long-term capital loss for the difference between the sale price and the Purchase Price.

Ordinary income you recognize upon a disposition of Arcadis NV shares constitutes taxable income and will be reported by the relevant Participating Subsidiary on your Form W-2. However, no taxes will be withheld with respect to this amount.

EXAMPLE TAX CALCULATIONS

• FMV at the beginning of Offering Period	\$ 10
• Purchase Price (85% x \$10)	\$ 8.50
• FMV on the date of sale	\$ 15
• Number of Arcadis NV shares purchased & sold	50
• Total Purchase Price (\$8.50 x 50)	\$ 425
• Total FMV on the date of sale (\$15 x 50)	\$ 750
= Gain at sale (\$750 – \$425)	\$ 325

1 Ordinary income

Amount taxable as ordinary income is the lesser of:

- the difference between the total FMV on the date of sale and the total Purchase Price (\$750 – \$425) = \$325;
- the discount at the beginning of the Offering Period (\$10 – \$8.50) x 50 = \$75

• Taxable ordinary income	\$ 75
= Taxes due at 22% (assumed marginal tax rate ¹)	\$ 16.50

2 Long term capital gain

Difference between gain at sale and ordinary income:

• Long term capital gain (\$325 – \$75)	\$ 250
= Taxes due at 15% ²	\$ 37.50
• Total gain realized (\$750 – \$425)	\$ 325
• Total amount of taxes paid (\$16.50 + \$37.50)	\$ 54
= Total net benefit of the employee	\$ 271

Return on investment

• Total net benefit	\$ 271
• Total invested amount (\$425 + \$56.25)	\$ 479
= Total net benefit / Total invested amount	56.6%

¹ Depending on your personal circumstances, your marginal tax rate could be higher or lower than the rate used in the example calculation. For the 2020 tax year, the maximum marginal tax rate for ordinary income is 37%.

² If you meet certain income thresholds, you may be subject to tax on long-term capital gains and dividends at the maximum rate of 20%. You may also be subject to a Medicare surtax of 3.8% on investment income, including capital gains and dividends. You should consult your personal tax advisor for additional information.



3.2 ARCADIS NV SHARES ARE HELD FOR LESS THAN TWO YEARS

If you hold the Arcadis NV shares purchased under the US ESPP for less than two years after the beginning of the Offering Period, (a so-called “disqualifying disposition”), then you will recognize ordinary income at the time of sale to the extent that the FMV of the Arcadis NV shares on the Purchase Date was greater than the Purchase Price (i.e. the “discount” at purchase). This amount is considered ordinary compensation income in the year of sale even if no gain is realized upon sale. The difference, if any, between the sale proceeds and the FMV of the Arcadis NV shares on the Purchase Date is a capital gain or loss, which is long-term if the Arcadis NV shares have been held more than one year. Ordinary income recognized upon a disposition of Arcadis NV shares constitutes taxable income and will be reported by the relevant Participating Subsidiary on your Form W-2. However, no taxes will be withheld with respect to this amount.

EXAMPLE TAX CALCULATIONS

(Shares are held for at least one year from the Purchase Date)

• FMV at the beginning of Offering Period	\$ 10
• FMV on the Purchase Date	\$ 11
• Purchase Price (85% x \$10)	\$ 8.50
• FMV on the date of sale	\$ 15
• Number of Arcadis NV shares purchased & sold	50
• Total Purchase Price (\$8.50 x 50)	\$ 425
• Total FMV on the date of sale (\$15 x 50)	\$ 750
= Gain at sale (\$750 – \$425)	\$ 325

1 Ordinary income

Amount taxable as ordinary income is the difference between the total FMV on the Purchase date and the total Purchase Price:

• Total FMV on Purchase Date (\$11 x 50)	\$ 550
• Total Purchase Price (\$8.50 x 50)	\$ 425
• Taxable ordinary income (\$550 – \$425)	\$ 125
= Taxes due at 25% (assumed marginal tax rate)	\$ 27.50

2 Long term capital gain

Difference between the sale proceeds and the total FMV of the Arcadis NV shares on the Purchase Date:

• Long term capital gain (\$750 – \$550)	\$ 200
= Taxes due at 15%	\$ 30
• Total gain realized (\$750 – \$425)	\$ 325
• Total amount of taxes paid (\$27.50 + \$30)	\$ 57.50
= Total net benefit of the employee	\$ 267.50

Return on investment

• Total net benefit	\$ 267.50
• Total invested amount (\$425 + \$61.25)	\$ 482.50
= Total net benefit / Total invested amount	55.4%

3.3 WITHHOLDING AND REPORTING OBLIGATIONS

Your employer will not withhold federal, state or local income taxes at the time of sale. Therefore, you are personally responsible for paying all federal, state and local income taxes on the ordinary income you realize. You are also personally responsible for reporting both long-term and short-term capital gains and losses on your individual income tax return(s), and paying any capital gains tax.

4 DIVIDENDS



Any dividends – in cash or in kind – received on the Arcadis NV shares you purchased under the US ESPP shall be subject to income tax. Also, a Dutch dividend withholding tax of 15% might be due. Please note, under certain statutory conditions the dividend may be exempt from Dutch dividend withholding tax. You will be informed about the amount of Dutch dividend tax actually withheld. A tax credit may be available.

5 INVESTMENT INCOME MEDICARE TAX

An unearned income Medicare contribution tax at a rate of 3.8% on some or all of your net investment income (e.g., capital gains, dividends, interest, etc.) may apply. This tax will be imposed on the lesser of (i) your net investment income, and (ii) the excess of your modified adjusted gross income over a threshold amount that is determined based on your filing status (currently \$200,000 for individuals, \$250,000 for spouses filing jointly and \$125,000 for spouses filing separately).

6 FILING OBLIGATIONS

You are personally responsible to report any ordinary income on your federal individual income tax return (e.g. Form 1040) and any applicable state or local income tax returns. You are also personally responsible for reporting any taxes resulting from the receipt of any dividends or the sale of any Arcadis NV shares (i.e. capital gains and losses) on your individual tax return(s).