

Proposal to merge the activities of



Royal Pakhoed NV

and



Royal Van Ommeren NV

by means of a statutory merger with

Vopak NV

IMPORTANT INFORMATION

The information included in this Merger Document originates from Van Ommeren and Pakhoed. Van Ommeren and Pakhoed are exclusively, each with regard to the information supplied concerning their own business, responsible for the accuracy and completeness of the information included in this Merger Document. Van Ommeren and Pakhoed are jointly responsible for all other information. The Executive Boards of both companies declare that the information contained in this document, for which they accept responsibility, corresponds with the truth and that no material facts are missing. The Executive Boards of Van Ommeren and Pakhoed have taken all reasonable care that could be expected in this respect.

With the exception of Van Ommeren and Pakhoed (and without prejudice to the 'Fairness Opinions' and auditors' reports included in this Merger Document) no one is authorised to provide information or make statements in connection with the Merger and the information included in this Merger Document. If such information has been provided or such statements have been made by parties other than Van Ommeren or Pakhoed, such information or statements should not be relied upon as if they had been provided, or made, by or on behalf of Van Ommeren or Pakhoed.

The Merger Document includes statements regarding the future that could entail risks and uncertainty. Although both Van Ommeren and Pakhoed are of the opinion that the projections reflected in such statements regarding the future are based on reasonable assumptions, no guarantee can be given that such projections will materialise. With regard to each statement regarding the future, it must be borne in mind that actual events or results in the future can deviate substantially from predictions or results achieved in the past as a result of such factors as political, economic or legal changes in markets in which both Van Ommeren and Pakhoed operate, and developments and risks in the competitive position inherent to the business plans of Van Ommeren and Pakhoed. In addition, Shareholders are referred to the paragraph 'Risk Profile', in which the risk factors are identified. The information in this Merger Document reflects the current circumstances regarding the intended Merger. It must be borne in mind that, as time passes, the information in this Merger Document may be subject to change.

This document does not in any way constitute an offer to sell or an invitation to make an offer to buy any security. The Merger Proposal, with the related notes (and other documents to be registered), was filed on 29 September 1999 at the offices of the Merging Companies and at the office of the trade register of the Rotterdam Chamber of Commerce. Pursuant to and in accordance with the contents of the Merger Document, Van Ommeren and Pakhoed Shareholders will obtain Vopak Shares upon the completion of the Merger.

Van Ommeren and Pakhoed Shareholders are advised to study this Merger Document carefully and, where necessary, to seek independent advice in order to form an independent opinion on the matters discussed and explained in this Merger Document.

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This Merger Document is published in the Dutch and English language. In the event of differences in interpretation, the Dutch text will prevail.

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TABLE OF CONTENTS

IMPORTANT INFORMATION	1
TABLE OF CONTENTS	3
DEFINITIONS	4
SUMMARY DESCRIPTION OF THE MERGER	6
LETTER TO THE SHAREHOLDERS	7
1 VOPAK NV	9
1.1 STATEMENT BY THE CHAIRMAN OF THE EXECUTIVE BOARD	9
1.2 COMPANY PROFILE	10
1.3 RATIONALE FOR THE MERGER	12
1.4 STRATEGY	12
1.5 RISK PROFILE	14
1.6 ORGANISATION	16
1.7 CORPORATE GOVERNANCE	17
1.8 OTHER DATA	17
1.9 PRO FORMA COMBINED FINANCIAL INFORMATION	19
1.10 AUDITORS' REPORT	22
2 THE MERGER	23
2.1 DESCRIPTION OF THE MERGER	23
2.2 METHOD OF EXCHANGING SHARES	23
2.3 COMPLETION OF THE MERGER	24
2.4 SHARE CAPITAL	25
2.5 TERMS OF THE MERGER	28
2.6 FAIRNESS OPINIONS	30
3 ROYAL PAKHOED NV	35
3.1 GENERAL INFORMATION	35
3.2 ACTIVITIES	36
3.3 KEY FIGURES	38
3.4 OTHER DATA	40
3.5 FINANCIAL INFORMATION PAKHOED	43
3.6 AUDITORS' REPORT	46
4 ROYAL VAN OMMEREN NV	47
4.1 GENERAL INFORMATION	47
4.2 ACTIVITIES	48
4.3 KEY FIGURES	50
4.4 OTHER DATA	52
4.5 FINANCIAL INFORMATION VAN OMMEREN	54
4.6 AUDITORS' REPORT	57
5 OTHER DATA	58
6 ARTICLES OF ASSOCIATION OF ROYAL VOPAK NV	60
7 ADVISERS	80

DEFINITIONS

'ABN AMRO'	ABN AMRO Bank NV
'AEX Stock Exchange'	The stock exchange of Amsterdam Exchanges NV
'C.C.'	The Dutch Civil Code
'Combination'	The combined businesses of Van Ommeren and Pakhoed after the Merger
'EBIT'	Earnings before interest and taxes
'euro' or '€'	The legal European currency unit of the European Monetary Union with effect from 1 January 1999
'Exchange Ratio'	The number of shares in the ordinary share capital of Vopak which will be awarded at the time of the Merger to Van Ommeren and Pakhoed Shareholders on the basis of an exchange ratio determined by the Merging Companies of 1.34 Vopak Shares per Van Ommeren Share and 1.00 Vopak Share per Pakhoed Share. For the exchange ratio with regard to the Financing Preference Shares Pakhoed, reference is made to section 2.4
'Financing Preference Share/Depository Receipt in Pakhoed'	(Depository receipt of) a cumulative financing preference share in Pakhoed with a nominal value of NLG 5 each
'Financing Preference Share/Depository Receipt in Vopak'	(Depository receipt of) a cumulative financing preference share in Vopak with a nominal value of € 1 each
'ING Barings'	ING Bank NV
'Merger'	The intended merger as referred to in Article 2:309 C.C. between Van Ommeren and Pakhoed as the companies ceasing to exist and Vopak as the acquiring company
'Merging Companies'	Van Ommeren, Pakhoed and Vopak
'Merger Document'	This Merger Document and Introduction Document (concerning the listing of the Vopak Shares on the AEX Stock Exchange), dated 11 October 1999, in which the Merger is described, and in which the terms for the completion of the Merger are set out
'Merger Proposal'	The proposal to complete a merger as referred to in Article 2:309 among Van Ommeren, Pakhoed and Vopak as filed on 29 September 1999, which filing has been publicly announced on 29 September 1999 in accordance with Article 2:314, paragraph 3 C.C.
'NLG'	Dutch guilder
'Van Ommeren'	Royal Van Ommeren NV
'Van Ommeren Share'	(Depository receipt of) an ordinary share in Van Ommeren with a nominal value of NLG 10 each
'Pakhoed'	Royal Pakhoed NV
'Pakhoed Share'	(Depository receipt of) an ordinary share in Pakhoed with a nominal value of NLG 5 each

'Preference Share in Van Ommeren'	Cumulative preference share in Van Ommeren with a nominal value of NLG 10 each
'Preference Share in Pakhoed'	Cumulative preference share in Pakhoed with a nominal value of NLG 5 each
'Preference Share in Vopak'	Cumulative preference share in Vopak with a nominal value of € 1 each
'Pro forma combined financial information'	The pro forma combination of the figures of Van Ommeren and Pakhoed
'Shareholders(s)'	Holder(s) of a Van Ommeren Share, a Pakhoed Share or a Vopak Share, as the case may be
'US dollar' or 'USD'	The legal currency unit of the United States of America
'Vopak'	The public limited liability company Vopak NV, which was founded on 20 August 1999, which will be the acquiring company in the Merger, which will award Vopak shares in connection with the Merger, and which, upon the Merger becoming effective, will be called Royal Vopak NV
'Vopak Share'	Ordinary share in Vopak with a nominal value of € 1 each

SUMMARY DESCRIPTION OF THE MERGER

The following is a summary description of the Merger, to which a general reservation is made by referring to the more detailed information as set out elsewhere in this Merger Document.

On 5 July 1999, the Executive Boards of Van Ommeren and Pakhoed have announced that they were aiming for a merger based on equality. The activities of the two companies will be combined by means of a statutory merger with Vopak, a public limited liability company, which has in the meantime been founded in order to complete the Merger. As a result of the Merger, Van Ommeren and Pakhoed will cease to exist.

The Merger Proposal of the Merging Companies has been filed with the trade register of the Rotterdam Chamber of Commerce and at the offices of the Merging Companies on 29 September 1999. The filing was announced on 29 September 1999 in the NRC Handelsblad, on 30 September 1999 in Het Financieele Dagblad, and on 1 October 1999 in the Officiële Prijscourant.

In accordance with the option granted to them by law, creditors and other parties to contracts with Van Ommeren, Pakhoed and Vopak have the opportunity to object to the intended Merger up to one month after the public announcement of the filing of the Merger Proposal.

The formal proposal to merge must be passed by the Executive Board of Vopak and by the Extraordinary General Meetings of Shareholders of Van Ommeren and Pakhoed, which are to be held on 2 and 1 November 1999, respectively.

After passing of the proposal, the Merger will be completed by execution of the notarial deed of merger. This deed is expected to be executed on 3 November 1999. Consequently, the Merger will come into effect on 4 November 1999, at 00.00 hours.

An application to list all the issued Vopak Shares on the Official Market of the AEX Stock Exchange will be made. The first listing is expected to take place on 4 November 1999, barring unforeseen circumstances.

When determining the number of shares in the ordinary share capital of Vopak that will be awarded at the time of the Merger to Van Ommeren and Pakhoed Shareholders, the Merging Companies determined an exchange ratio of 1.34 Vopak Shares for each Van Ommeren Share and 1.00 Vopak Share for each Pakhoed Share. The eventual interests of Shareholders in the ordinary share capital of Vopak are, immediately prior to the Merger, 37.1% (Van Ommeren) and 62.9% (Pakhoed).

Any Van Ommeren Shareholder who offers his shares for conversion will, only to the extent that the number of Van Ommeren Shares offered cannot be converted entirely into whole Vopak Shares, have a partial claim to new Vopak Shares. Any such necessary or remaining partial claim will be settled in cash. See also Chapter 2 'The Merger'.

LETTER TO THE SHAREHOLDERS



Royal Pakhoed NV
Blaak 333
3011 GB Rotterdam
The Netherlands



Van Ommeren

Royal Van Ommeren NV
Westerlaan 10
3016 CK Rotterdam
The Netherlands

11 October 1999

Dear Shareholder,

Intended merger with Vopak NV

On 5 July 1999, the Executive Boards of Van Ommeren and Pakhoed announced that they had agreed in principle to propose to their respective Shareholders to combine the activities of their companies by way of a statutory merger with Vopak.

We are pleased to submit the Merger Document. This document sets out such matters as the reasons for the Merger, the structure of the Merger, and the strategy of the Combination going forward.

As a result of the Merger, the Merging Companies will thereafter continue their activities jointly under the name 'Royal Vopak'. The eventual interests of Van Ommeren and Pakhoed Shareholders in the ordinary share capital of Vopak will, immediately prior to the Merger, be 37.1% and 62.9%, respectively.

Both Van Ommeren and Pakhoed have a long history of providing various logistic services in the chain from producer to end user in the chemical and oil industry. The roots of both businesses lie in Rotterdam, the largest petrochemical centre in the world. By merging into Vopak, the two companies will reinforce their leading market position. The Merger will enable the Combination to provide worldwide logistic services and to respond to the increasing demand of customers for integrated services. Vopak will be well-positioned to benefit, in a cost-efficient manner, from the increasing desire of our customers to outsource logistic and distribution services to a limited number of service providers.

In the meantime, the financial conditions of the Merger have been established. Therefore, we are now able to provide further information on the Merger, including detailed information on Van Ommeren, Pakhoed and Vopak. The Merger will be submitted to the Shareholders at the Extraordinary General Meetings of Shareholders of Van Ommeren and Pakhoed to be held on 2 and 1 November 1999, respectively.

We have the utmost confidence that the new Executive Board of Vopak, with its track record in the chemical and oil industry, will be able to make the Combination a great success.

Yours sincerely,

N.J. Westdijk
Chairman of the Executive Board
Royal Pakhoed NV

C.J. van den Driest
Chairman of the Executive Board
Royal Van Ommeren NV

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1. VOPAK NV

1.1 STATEMENT BY THE CHAIRMAN OF THE EXECUTIVE BOARD

The continuing trend towards concentration in many industry sectors is leading to an increasing demand for service providers in logistics and distribution who are able to provide services worldwide. This development has continued at an accelerated rate in the chemical and oil industry over the past year. In addition, developments in e-commerce will set new requirements for rendering worldwide logistic services.

The Merger will create the largest network of tank terminals in the world, with activities in all key ports and industrial centres of the chemical and oil industry. This combination will lead to an improved geographical coverage and achieve cost savings due to the increased scale. These factors will contribute to the ability to offer competitive prices to our customers and at the same time improve profitability.

In addition, the Merger will strengthen our financial base which will enable us to benefit, through investments and acquisitions, from further concentration in both chemical distribution and logistics.

The Combination will have 9,600 employees, a large number of whom have ample experience in logistics and are trained in handling chemicals and oil products in the chain between producer and end user. The Combination will position itself as THE provider of (integrated) logistics and distribution services to the chemical and oil industry. With its worldwide network of 83 terminals, Vopak will be the largest supplier of tank storage capacity for liquid chemicals and oil products and its distribution network will make it the largest provider of chemical distribution services. In the integrated transport chain, Vopak will also offer services in the area of inland shipping, coastal shipping and deep sea tanker shipping. In the coming years, the required knowledge and skills for providing integrated services will continue to be improved, and important investments will be made in information technology. Vopak will primarily insource from third parties services it does not render, such as road transport and the transport of chemicals by sea in parcel tankers. Where possible, Vopak will strive to strengthen the relationship with these third parties by entering into alliances.

During the merger process, our attention initially will be focussed on the integration and optimisation of the tanker terminal network and tanker shipping in Europe. The second step will be to evaluate existing processes and practices in order to enable optimal use of the network. Components of this aspect of the process will be the clustering of activities, the co-ordination of commercial organisations and the application of logistics know-how. These programmes will be carried out partly simultaneously and partly in phases. It will enable us to realise annual merger benefits of € 50 million within a period of three years. The third step will be to further develop the organisation in order to be able to offer fully integrated logistic services to the chemical and oil industry.

As a result of the Merger, the number of jobs in the Netherlands will be reduced with approximately 225. The personnel consequences elsewhere will be more limited in scope. However, the development of newly integrated logistic services could lead to new jobs.

In principle, the evaluation of the financial performance and future investments will be based on generating shareholder value. The ongoing performance improvement and safeguarding the continuity of the business will be important prerequisites in this respect.

Vopak will continue Van Ommeren and Pakhoed's traditions of providing high-quality services to the customers.

My colleagues and I, following in the footsteps of our predecessors, see it as our task to create an attractive and inspiring working environment. Our employees will be able to develop themselves as top players in logistics and distribution, with the full confidence of customers, Shareholders and financiers.

A.H. Spoor
Chairman of the Executive Board
Vopak NV

1.2 COMPANY PROFILE

Vopak's three key customer groups to which logistics and distribution services will be offered, are the following:

- the chemical industry;
- the end users of chemicals; and
- the producers and distributors of oil products.

Chemical industry

The key services provided to this customer group will be the storage of larger quantities of (primarily liquid) chemicals and the transport of such chemicals to and from the producer, end user or distributor. Vopak will be serving this customer group with the following activities:

- **Tank storage**
After the Merger, Vopak will store or tranship chemical products at 63 terminals in virtually all major industrial and transshipment centres in the world. The capacity of the Vopak network will entail some 7.1 million m³.
- **Inland shipping**
The fleet will consist of some 30 barges for the transport of 'easy' bulk chemicals within North-western Europe. In the top segment of high-quality chemicals, Vopak will also operate a fleet of approximately 20 barges with primarily stainless steel tanks.
- **Coastal shipping**
With the Broere fleet, consisting of 13 coasters with primarily stainless steel tanks, Vopak will be a strong player in the top segment of the transport of high-quality chemicals within Europe.
- **Tank containers and other services**
Via VOTG, a joint venture with the German company VTG-Lehnkering, Vopak will be active in the increasingly important tank container service market. Vopak's expertise in the area of forwarding services and agencies can be applied in support of its logistic services.
- **Wholesale / Distribution**
Vopak's activities in the area of chemical distribution (see below under 'end users of chemicals') will enable the company to be the logistic and marketing channel for the chemical producers to the smaller end users.
- **Integrated services**
Vopak will benefit from the demand of chemical producers to outsource their logistic activities to third parties. This varies from managing the supply chain to acquiring the ownership of the logistic assets and the employment of the related personnel.
An alternative scenario is the setting up of new storage capacity in the vicinity of factories newly built by those customers and to create a connection thereto by means of pipelines, all on the basis of long-term contracts. The latter category is known as Industrial Terminaling.

End users of chemicals

With regard to the end users of chemicals, Vopak will act as a distributor of a wide range of chemical products. In this sector, Vopak will supply approximately 3 million tonnes of chemical products to some 250,000 customers on an annual basis. This product range will be sourced from some 1,000 chemical producers. Vopak's knowledge of product applications and purchasing processes is of great significance in serving these customers. The end users will also benefit from Vopak's logistics network. Primarily through its subsidiaries in North America and Europe, Vopak will be the world leader in chemical distribution:

- **North America:** through Van Waters & Rogers ('VW&R'), Vopak will be market leader in chemical distribution in the United States and Canada. Around 1,100 marketing and sales employees work at VW&R. This company operates some 130 storage and

distribution centres. In the area of Internet applications, VW&R is considered to be one of the leaders in chemical distribution.

- Europe: through Pakhoed Distribution Europe ('PDE'), Vopak will be the runner up in the West European market of chemical distribution, with a network of companies operating in various countries. The company will operate 37 storage and distribution centres with more than 800 marketing and sales employees.

Producers and distributors of oil products

The transport and storage of large quantities of crude oil and refined products will be the core logistic services to be provided to the producers and distributors of oil products. Vopak will serve this customer group with the following activities:

- **Tank storage**
After the Merger, Vopak will be active in virtually all important oil centres with 55 terminals. The total storage capacity for this customer group will be 16.1 million m³. At 7 terminals also gasses will be stored.
- **Inland shipping**
Vopak will have a unique position through its ability to offer combined tank storage and inland shipping services. Vopak will have a fleet of approximately 50 barges for the transport of oil products. The joint venture Chemgas will give Vopak a leading position in the inland shipping of chemical gasses and LPG in Europe.
- **Coastal and deep sea shipping**
These components of the logistics chain will be performed by Brovo, in which Vopak will have a 50% interest, thus limiting the investments in this relatively capital-intensive activity. The fleet will consist of approximately 50 tankers. Additionally, Theodora Tankers' 8 ships will give Vopak a leading position in the coastal transport of bitumen products in North-western Europe. Finally, through Chemgas, Vopak will have access to 7 coastal shipping tankers for the transport of liquid gasses, 2 of which will be operational in the Far East.
- **Integrated services**
Vopak will be active in the development of new services in the area of outsourcing and supply chain management. An example of these new services is the taking over of the management of logistics and distribution activities of producers and distributors of oil products.

- Forwarding and agencies

Other customer groups

The other customer groups include:

- producers and customers of edible oils, to which storage and inland shipping services will be provided; and
- governments, as to the storage of their strategic stock of crude oil and oil products.

Financial

In the year 1998, the Combination achieved a pro forma turnover of € 3.3 billion and an operating result of € 302 million. The split-up of the pro forma turnover by activity and geographical area in 1998 was as follows:

	Turnover contribution		Turnover contribution
Chemical Distribution	77%	The Netherlands	13%
Shipping	5%	Rest of Europe and Africa	30%
Tank storage	15%	North and Latin America	55%
Other	3%	Asia and Australia	2%
Total	100%		100%

1.3 RATIONALE FOR THE MERGER

The advantages of the Merger can be summarised as follows:

Operating as a strong worldwide service provider

The following features demonstrate Vopak's strength:

- 9,600 employees, of whom a large number is knowledgeable in logistics and skilled in handling chemical and oil products in the chain between producer and end user;
- 250,000 customers/end users of chemical products, normally in less than truckload quantities;
- a network of approximately 1,000 producers from whom Vopak will purchase chemical products and to whom distribution services will be provided;
- an unrivalled network of tank terminals, distribution and storage centres, tank containers, and a tanker fleet suitable for a variety of products in various maritime areas, for the purpose of servicing the chemical and oil industry; and
- in-house expertise as to handling and managing product flows for the chemical and oil industry, thereby complying with all safety and environmental standards.

Positioning

Vopak will be better positioned to offer logistic services on a global scale: market developments in the chemical and oil industry result in further consolidation and globalisation of the producers whereby they are increasingly outsourcing the entire package of logistic services and distribution from producer to end user (one-stop-shopping).

Accordingly, sizeable logistic services contracts and distribution contracts will be granted to companies capable of offering a fully comprehensive high-quality service for managing the flows of chemical and oil products in a more efficient way. The expertise in the area of handling product flows, the installations used for that purpose, and the strict procedures that are used in carrying out the services, constitute unique qualifications for Vopak to be the preferred globally operating supplier of the services concerned. The Combination will be better able to make the necessary investments as to the advanced IT technologies needed for carrying out the services in a more efficient manner. In addition, the combination of expertise in the area of logistic services with that of distribution will provide additional growth opportunities for chemical distribution.

Financial strength

As a result of its size and financial strength, the Combination will be better equipped to benefit from sizeable investment opportunities currently available in all its activities (and particularly in chemical distribution).

Cost savings

The Merger is expected to provide significant cost savings by way of combining and optimising the tank storage networks, logistic services, IT and overheads. Significant savings can be achieved, particularly in the area of tank storage, through rationalisation and the resulting higher capacity utilisation of the network. Furthermore, considerable cost reductions are expected as a result of joint purchasing, standardisation of the best working practices and combining the marketing and sales organisations. Within three years, the total annual savings are expected to be at least € 50 million. One-time charges, totalling approximately € 75 million, are expected to be made in order to obtain these synergies. These charges include mainly provisions for reorganisation costs (including personnel provisions).

1.4 STRATEGY

General

The strategy of Vopak will be geared towards being selected, on a worldwide basis, as THE supplier of logistics and distribution services to the chemical and oil industry. This requires the capability to provide high-quality, integrated services in an efficient manner on a worldwide scale, whereby the highest safety and environmental standards will be met. In the chemical industry, Vopak's objective will be to create the worldwide interface, between producers of chemicals and end users; not only as a logistic services provider, but also as a distributor.

For that purpose, Vopak's strategic objectives and priorities are as follows:

- high standards in the areas of safety, health and environment;
- selective expansion of the worldwide logistics network in order to be better able to offer integrated logistic services. The growth objective will be an increase in turnover of 5-10% per year through autonomous growth, Greenfield projects, joint ventures, and selective acquisitions;
- a significant expansion of the chemical distribution network into new geographical areas and new product groups. Internet applications (including e-commerce) are indispensable elements in this respect. The turnover growth objective is a doubling within a 3-5 year period through a combination of acquisitions and autonomous growth. In addition, it will be possible to realise a significant improvement in financial performance through optimisation of the current working practices; and
- over the coming three years, there will be major investments in IT in order to streamline and improve existing IT systems. In addition, new IT systems will be developed in order to enable the offering of integrated services at competitive terms. Currently, these investments are estimated at € 50 million for the coming three years.

Chemical logistics and distribution

As to chemicals, it will be Vopak's objective to offer a complete package of logistic services to producers of chemicals and, if possible, to take over the management of the producer's total logistics chain. In addition, Vopak will endeavour to become the supplier for the end users of chemical products. Vopak will offer the end users of chemical products the opportunity of outsourcing the management of all incoming logistics and purchasing to Vopak. Customers will make significant savings and obtain better service as Vopak will be able to offer an integrated service.

Chemical logistics: Vopak will aim to retain its position as world leader in the area of chemical logistics, using its worldwide network and developing and providing supply chain management services. Vopak will adapt the organisation so that it can take advantage of the outsourcing trend of the chemical industry with regard to its logistic activities.

Distribution of chemicals: the distribution sector will be an important spearhead for future investments. The fragmented nature of the chemical distribution markets in combination with the fact that both producers of chemicals and larger end users of chemical products prefer to retain one company rendering all services, will provide an important growth opportunity for Vopak. To reinforce Vopak's position as the leader in this market, Vopak will make significant investments in Internet applications, which in various ways will be a potentially important area for additional growth.

Oil and gas logistics

In oil (both mineral and vegetable oils) and gas, Vopak will be well-positioned as the supplier of both tank terminal and shipping capacity and services in the area of supply chain management. In addition, Vopak will anticipate here also on the outsourcing trend of the oil industry. Enjoying synergies through an optimal use of the combined network of Van Ommeren and Pakhoed will be key to success. Furthermore, Vopak intends to selectively expand its logistics network to support integrated logistic services. Vopak considers the distribution of LPG and chemical gasses in large quantities as a growth market.

Financial policy, objectives and ratios

Key elements are:

- achieving a return on invested capital of 16% (including goodwill) within a period of three years;
- to benefit in the most efficient way from Vopak's financing capacity, of which the size at present is estimated at € 1 billion, taking into consideration the available cash flows and the proceeds from expected divestments;
- solvency of at least 25% whereby solvency is defined as the risk-bearing capital (being the aggregate of equity, third party interests, equalisation account and subordinated loans) as a percentage of total assets;
- an interest coverage ratio (being defined as the operating result (EBIT) divided by the net interest amount) at a minimum of 4;

- a dividend pay-out ratio of 40%, calculated over the net results from ordinary operations, after deduction of the dividend for the outstanding Financing Preference Shares in Vopak; and
- an effective asset/liability-management.

Value Based Management will be introduced as soon as practicable as an instrument to measure both the return on assets, investments and divestments, acquisitions and management performance.

Alliances

Joint ventures

Historically, Van Ommeren and Pakhoed have been participating in a number of joint ventures, both in tank storage and in shipping. For strategic, operational and financial reasons, new joint ventures will be entered into in the future, to ensure an appropriate spread of financing and other risks. An important consideration for entering into joint ventures is the strengthening of the network. It is Vopak's objective to play a key role in the management. Partners are predominantly local governments and port authorities and even customers and competitors. In view of potential conflicts of interest, joint ventures with customers will be entered into only in exceptional cases.

Alliances

Vopak will aim to create alliances with suppliers in the chain who offer services Vopak is lacking in its own service package, such as road transport and the deep sea transport of high-grade chemicals (parcel tanker operators). In this form of co-operation, the parties undertake to support each other's interests without jointly participating in the activity.

Companies to be divested

In order to maintain the competitive environment in the Amsterdam-Rotterdam-Antwerp area, as stipulated by the European Commission, Pakhoed has undertaken to divest its interests in the terminals in Botlek (1.5 million m³) and Pernis (350,000 m³) in the Rotterdam harbour area, while Van Ommeren has undertaken to sell its 50% participation in Gamatex NV in Antwerp (approximately 500,000 m³).

Furthermore, effective 1 January 2000, Vopak will transfer its 50% interest in New Orleans-based IMTT Group ('IMTT') (5 million m³), to its American partner.

1.5 RISK PROFILE

Acquisitions and divestments

Van Ommeren and Pakhoed have made acquisitions and divestments independently of each other as part of their corporate strategy. For that purpose, the companies assumed specific obligations that may lead to future claims. The management of Vopak does not expect any material financial consequences to ensue from such claims.

Sensitivity to dividend flows from participations

Part of the activities of Vopak is being carried out by companies in which Vopak, directly or indirectly, has a minority interest. The extent to which liquid funds flow to Vopak depends partly on the decision-making within the relevant bodies of the participations whereby Vopak has no casting vote.

Sensitivity to specific customers and suppliers

With regard to the logistic activities, Vopak has a relatively small customer-base. Although the company is presently not aware of any intention of any of these customers to terminate their relationship with Vopak, it should be noted that discontinuation of the relationship with any of these customers could temporarily affect the results of the Combination. For that matter, it is Vopak's objective to enter into long-term contracts with as many of those customers as possible in order to strengthen the relationship.

With regard to the distribution activities of Vopak, there is not one single customer who currently constitutes more than 1% of turnover. With regard to the purchase of products, business is being conducted with approximately a thousand producers of chemical

products whereby some producers do larger transactions than others. However, no single supplier plays a crucial role with regard to the Combination's product portfolio. The loss of a supplier may temporarily have a negative impact on the results of the Combination, but in general it can be dealt with by finding other suppliers. This will enable the distributor to continue the supplying of its customers.

Cyclical influences

Vopak provides its logistic services package primarily to companies in the chemical and oil industry. The markets in which these companies operate can generally be considered as cyclical. In addition, the shipping industry has its own cyclical. Accordingly, based on its operating activities, Vopak is dependent on the developments in these industries.

Vopak offers its distribution services to customers who are active in virtually all industrial segments. Therefore, cyclical in distribution is linked primarily to the general economic conditions and depends only to a limited extent on the pricing of the chemical products.

Vopak is reducing the influence of the cyclical on its results by combining logistic services and distribution, spreading its activities geographically, entering into joint ventures, and striving for long-term contracts.

Legal

The Combination and its subsidiaries are currently involved in a number of court cases. The management of Vopak holds the view that the outcome of these court cases, to the extent it would be negative for the Combination, will have no material negative effect on Vopak's financial position or results.

Country risks

The activities of the Combination could, in some countries (in particular in emerging markets), be faced with political and/or economic unrest, war or government intervention. Each of these events could disrupt the activities of the Combination in those countries, restrict the transfer of funds, impose limitations on currency transactions or result in expropriation of assets, which might have a negative effect on the results and financial position of the Combination.

Safety, health and environment

The storage, transport and distribution of chemical and oil products can entail risks for the environment. Vopak is seeking to manage these risks by applying an active policy in which three elements are key, namely prevention, a clear task-setting and a continuous training of personnel.

Contamination has been identified at a number of sites belonging to the Combination. The management of Vopak is of the opinion that Vopak currently has adequate financial reserves to take the appropriate measures against the contamination currently known within the time periods as stipulated by the regulatory authorities. However, the possibility that existing but as yet undiscovered or future contamination could have a significant negative impact on the future results of the Combination, cannot be ruled out.

Millennium

Van Ommeren and Pakhoed have identified possible implications of the millennium issue on their operations. In practice, measures have been taken where necessary to adjust or replace business information systems and/or operational technical systems (embedded software). As external factors play some role, emergency measures are also being prepared wherever possible and necessary, to limit the risk of a negative impact on the continuity of operations to the largest extent possible. Accordingly, the Combination believes the risk that the continuity of operations will be disrupted by a date-related event, called 'Year 2000', to be minor. The related costs are not expected to have any significant influence on Vopak's financial position or results. However, no guarantee can be given in this respect, also in view of the influence of external factors.

Currency and interest rate risks

Vopak will report its results in euros. Since part of Vopak's activities is being settled in foreign currency (particularly in US dollars), fluctuations in foreign currency exchange rates

in relation to the euro may influence the results and the equity of the Combination. Vopak is endeavouring to reduce the impact of fluctuations in exchange rates on the results by applying 'matching' and hedging instruments. Nevertheless, the impact of such fluctuations on Vopak's results cannot be ruled out entirely.

Based on the interest rate policy, the interest rates for a sizeable part of the liabilities will be fixed for medium to long-term periods. Apart from the drawing of loans with fixed interest rates, this is being achieved by making use of various derivatives, such as interest rate swaps, currency swaps, future rate agreements, caps and floors. Despite the Combination's active policy of covering interest rate fluctuations, these could possibly still have a negative impact on the result.

1.6 ORGANISATION

Executive Board and Supervisory Board

The Executive Board of Vopak will consist of four members, with A.H. Spoor as Chairman, R.R. Hendriks as Vice-chairman and N.J.A. von Hombracht and H.C. van Westenbrugge as members. The division of tasks within the Executive Board is as follows.

A.H. Spoor	– Chairman, Chemical Distribution Europe and IT
R.R. Hendriks	– Vice-chairman, Chemical Distribution North-America and Finance
N.J.A. von Hombracht	– Chemical Logistics
H.C. van Westenbrugge	– Oil & Gas Logistics and Shipping Agents

The Supervisory Board will consist of ten people; five from Van Ommeren and five from Pakhoed. D.R. de Kat, currently a member of the Supervisory Board of Van Ommeren, will chair the new Supervisory Board. A number of committees will be formed within the Supervisory Board, including an Integration Committee, which will assist the Executive Board in the integration of the two companies during the start-up period. This committee will consist of Messrs D.R. de Kat and H. de Ruiter. In addition, an Audit Committee will be set up.

As at the completion of the Merger, the Supervisory Board will consist of the following persons:

D.R. de Kat, Chairman
 Y. Bobillier
 P. Bouw
 J.A.N. van Dijk
 R. den Dunnen
 H.L.J.M. Gieskes
 J.M. Hessels
 K. de Kluis
 N.S. Rogers
 H. de Ruiter

Social aspects

As a result of the integration and optimisation of the Dutch organisations of Van Ommeren and Pakhoed, including the two head offices, a loss of approximately 225 jobs in the Netherlands is to be reckoned with. This corresponds with approximately 10% of the number of jobs in the Netherlands. During the integration process the personnel reduction per business unit will be specified. Separate advice will be obtained from the respective Works Councils. This personnel reduction is separate from the terminals that will be sold. The outlines of a Social Plan have been agreed between the Executive Boards of Van Ommeren and Pakhoed, on the one hand, and the unions 'FNV Bondgenoten', 'CNV Bedrijvenbond' and 'FWZ' on the other. This plan is intended to deal with the social consequences of the Merger for those companies in the Netherlands in which Van Ommeren or Pakhoed have an interest of more than 50%. The Vopak head office will be located in Rotterdam at a site to be chosen later.

To make optimal use of the network, existing processes will be evaluated and, where necessary, reorganised. Furthermore, the organisation will be adapted in order to be able to

offer a fully integrated service. In this latter case, new jobs may be created. Comprehensive consultation on the aforementioned measures will take place within the Netherlands with the Central Works Council to be established at Vopak. In close consultation with the appropriate bodies in question, further arrangements will be made regarding the integration. In addition, Vopak intends to set up a European Works Council.

1.7 CORPORATE GOVERNANCE

With regard to accountability towards shareholders and the manner in which shareholders will influence the decision-making process, Vopak will distinguish itself in that the current holders of depositary receipts of shares in each of Van Ommeren and Pakhoed will obtain shares with full voting rights in Vopak.

The articles of association of Vopak will provide for a voluntary structure regime. With this regime, the Supervisory Board, in its supervisory role, will take into account the interests of all parties involved in the Combination.

Vopak agrees to the recommendations of the Dutch Corporate Governance Committee and will include these, to the largest extent possible, in the regulations for the Executive Board and the Supervisory Board. These regulations will reflect the division of responsibilities and working procedures of the Executive Board and the Supervisory Board.

1.8 OTHER DATA

Registered office and trade register

Vopak is listed in the trade register of the Rotterdam Chamber of Commerce under registration number 24295332. The registered office of Vopak is situated in Rotterdam. The provisional address of Vopak is: Blaak 333, 3011 GB Rotterdam, The Netherlands.

Investments 1999

During the first six months of 1999, the Combination invested € 86 million in fixed assets. The investments in the second half of 1999 are expected to amount to € 170 million, excluding the impact of acquisitions and divestments. Approximately 50% of these investments relates to tank storage, about 20% to chemical distribution and the remaining 30% concerns investments in shipping.

Pro forma earnings and dividend per share

Based on the pro forma combination of the profit & loss accounts over 1998, the income attributable to the ordinary shareholders amounted to € 166 million, which corresponds with € 3.21 per share (based on the number of outstanding shares after applying the Exchange Ratio). On the same basis, dividend per share for ordinary shareholders amounts to € 1.21.

Expected income from ordinary operations 1999

As per the interim-statements of Van Ommeren and Pakhoed issued in August 1999, it is expected that the income from ordinary operations after taxes for the full year 1999 will be in the range of 5 to 10% below the level of 1998 (pro forma combined: € 176 million).

Pro forma ownership of shares and options

The number of outstanding options on Vopak Shares after application of the Exchange Ratio is as follows.

	Expiration year	Outstanding as at 30/9/99	Exercise price in NLG	Exercise price in euro
1994*	1999	6,700	38.21	17.34
1994	1999	19,250	44.50	20.19
1995*	2000	14,740	31.12	14.12
1995	2000	119,250	44.60	20.24
1996*	2001	444,880	47.61	21.61
1996	2001	237,250	51.40	23.32
1997*	2002	20,100	61.19	27.77
1997	2002	295,000	69.00	31.31
1998*	2003	387,260	43.66	19.81
1998	2003	298,000	41.60	18.88
Total		1,842,430		

As at 30 September 1999, the members of the Executive Board of Van Ommeren and Pakhoed had the following number of options, which are also included in the summary above:

	Expiration year	Outstanding as at 30/9/99	Exercise price in NLG	Exercise price in euro
1995	2000	28,000	44.60	20.24
1996*	2001	160,800	47.61	21.61
1996	2001	42,000	51.40	23.32
1997	2002	39,000	69.00	31.31
1998*	2003	60,300	43.66	19.81
1998	2003	39,000	41.60	18.88
Total		369,100		

* The number of options has been increased as per the Exchange Ratio, whereby the exercise prices have subsequently been decreased by the same factor.

None of the members of the Supervisory Boards of both Van Ommeren and Pakhoed have any option rights.

Per 30 September 1999, members of the Supervisory Boards of both Van Ommeren and Pakhoed held, taking into account the Exchange Ratio, pro forma 140,935 Vopak Shares. At the same date, members of the respective Executive Boards held pro forma 8,040 Vopak Shares.

1.9 PRO FORMA COMBINED FINANCIAL INFORMATION

Pro forma combined balance sheet of Vopak (€ million)	1st half 1999	1998	1997
Tangible fixed assets	1,428	1,340	1,450
Financial fixed assets	520	479	467
Fixed assets	<u>1,948</u>	<u>1,819</u>	<u>1,917</u>
Inventories	279	249	241
Accounts receivable and accrued income	821	609	660
Liquid assets	249	178	156
Current assets	<u>1,349</u>	<u>1,036</u>	<u>1,057</u>
Current portion of long term debt	58	81	79
Liabilities to credit institutions	298	268	268
Trade creditors and other liabilities	756	612	645
Dividend	–	64	58
Current liabilities	<u>1,112</u>	<u>1,025</u>	<u>1,050</u>
Current assets after deduction of current liabilities	237	11	7
Total assets after deduction of current liabilities	<u>2,185</u>	<u>1,830</u>	<u>1,924</u>
The financing is as follows:			
Subordinated loans	56	59	68
Other loans	860	679	675
Long-term liabilities	<u>916</u>	<u>738</u>	<u>743</u>
Provisions	282	266	275
Equalisation account	2	2	21
Third party interests in consolidated group companies	42	40	49
Shareholders' equity	943	784	836
Group equity	<u>987</u>	<u>826</u>	<u>906</u>
Total	<u>2,185</u>	<u>1,830</u>	<u>1,924</u>

Pro forma combined profit and loss account of Vopak (€ million)	1st half 1999	1998	1997
Net turnover	1,765	3,349	3,219
Other operating income	2	5	6
Operating income	<u>1,767</u>	<u>3,354</u>	<u>3,225</u>
Cost of sales	1,140	2,124	2,006
Wages, salaries and social security costs	248	475	463
Depreciation	59	113	122
Other operating expenses	208	409	419
Operating expenses	<u>1,655</u>	<u>3,121</u>	<u>3,010</u>
Income from participations	32	69	59
Operating profit	<u>144</u>	<u>302</u>	<u>274</u>
Interest	- 28	- 59	- 61
Profit from ordinary activities before taxation	<u>116</u>	<u>243</u>	<u>213</u>
Taxation	- 34	- 67	- 61
Profit from ordinary activities after taxation	<u>82</u>	<u>176</u>	<u>152</u>
Extraordinary results after taxation	- 1	5	9
Third party interests in the results of consolidated group companies	- 5	- 10	- 11
Net profit	<u><u>76</u></u>	<u><u>171</u></u>	<u><u>150</u></u>

Notes to the pro forma combined financial information of Vopak

In the pro forma financial information of Vopak a number of reclassifications have been made in comparison with the separate annual accounts of Van Ommeren and Pakhoed, namely:

- repayment obligations on the long-term liabilities to be fulfilled in the forthcoming year: in the pro forma combined financial statements these are included separately under current liabilities;
- the reclassification relating to an existing joint venture between Van Ommeren and Pakhoed of financial fixed assets into tangible fixed assets; and
- the results on fixed assets sold from net turnover to other operating income.

The valuation principles that have been applied by Van Ommeren and Pakhoed to date do not show any differences of material significance; accordingly, no adjustments in that respect are deemed necessary.

1.10 AUDITORS' REPORT

The pro forma combined financial information for the first half of 1999 and for the years 1998 and 1997, as set out on pages 19 up to and including 21 of this Merger Document, represents the pro forma combination of the figures of Royal Van Ommeren NV ('Van Ommeren') and Royal Pakhoed NV ('Pakhoed').

Unqualified auditors' reports were issued by Ernst & Young Accountants and KPMG Accountants NV on the individual annual accounts of Van Ommeren and Pakhoed respectively for the year 1998, from which the 1998 and 1997 figures included in the pro forma information have been derived. The figures for the first half of 1999 as set out in the pro forma information have not been audited.

The pro forma combined financial information is the responsibility of the management of Vopak NV. Our responsibility is to express an opinion on this pro forma information.

In preparing this pro forma information, no changes have been made to the accounting policies used by Van Ommeren and Pakhoed. The harmonisation of accounting policies would not have led to any material differences in shareholders' equity and net result.

In our opinion, the pro forma information has been prepared on a reasonable basis in conformity with the notes to this information.

Rotterdam, 11 October 1999
Ernst & Young Accountants

Rotterdam, 11 October 1999
KPMG Accountants NV

2. THE MERGER

2.1 DESCRIPTION OF THE MERGER

The Merger will take place through a statutory merger as set out in Article 2:309 C.C., whereby Vopak will be the acquiring company and Van Ommeren and Pakhoed will be the companies that cease to exist. The Shareholders of Van Ommeren and Pakhoed will then become Shareholders of Vopak, in accordance with the Exchange Ratio. As a result of the Merger, Vopak will acquire the entire capital of Van Ommeren and Pakhoed under universal title and account for the financial data of the companies ceasing to exist in its own annual accounts. As a result of the Merger, no material valuation discrepancies will arise between the accounting for assets and liabilities in the last financial statements of the legal entities ceasing to exist and the accounting for the assets and liabilities in the first annual accounts of the acquiring legal entity.

Messrs C.J. van den Driest and N.J. Westdijk have founded Vopak in order to enable the Merger to take place. Prior to the completion of the Merger, Van Ommeren and Pakhoed will acquire the Vopak Shares that were acquired by the founders at the time Vopak was incorporated.

Exchange ratio and relative valuation

When determining the number of shares in the ordinary share capital of Vopak that will be awarded to Shareholders of Van Ommeren and Pakhoed at the time of the Merger, the Merging Companies have determined an exchange ratio of 1.34 Vopak Shares for each Van Ommeren Share and 1.00 Vopak Share for each Pakhoed Share. The eventual interests of Shareholders in the ordinary share capital of Vopak immediately prior to the Merger are, on the basis of the current number of outstanding shares, 37.1% (Van Ommeren) and 62.9% (Pakhoed).

Valuation method

The Exchange Ratio is based on an analysis of the development of the share prices of Van Ommeren and Pakhoed during the period between 1 January 1999 and 2 July 1999 (the last trading day prior to the announcement of the Merger) whereby the influence of the following has been taken into account:

- the distribution of the estimated value of the synergy benefits that can be realised by the Van Ommeren and Pakhoed companies in the Combination in the long term, in line with the principle of a merger on the basis of equality; and
- the interim dividend paid out in cash by Van Ommeren for 1999 of NLG 0.50 per Van Ommeren Share.

2.2 METHOD OF EXCHANGING SHARES

Each Pakhoed Share gives entitlement to one Vopak Share. Each Van Ommeren Share gives entitlement to 1.34 Vopak Shares.

The Vopak Shares to be allotted in connection with the Merger shall be allotted to Stichting Administratiekantoor Pakhoed and Stichting Administratiekantoor Koninklijke Van Ommeren (hereinafter jointly referred to as the 'Trustees'), respectively and to the remaining registered holders of Pakhoed Shares and Van Ommeren Shares.

Said remaining registered holders of Van Ommeren and Pakhoed Shares will be registered in the shareholders register of Vopak for the Vopak Shares allotted to them by Vopak.

Exchange of registered shares

The settlement of partial claims to Vopak Shares (also referred to as 'fractions') ensuing from the conversion of shares held by registered holders of Van Ommeren shares will take place as follows:

- the fractions of Vopak Shares per shareholder will be aggregated in order to convert those into the maximum number of whole shares; and
- the then remaining fraction will be settled by Vopak by means of a cash payment to a registered holder of Van Ommeren shares who is entitled to such settlement. The

amount to be paid to such holder of a remaining fraction of a Vopak Share will be calculated by relating such remaining fraction to the opening price of a Van Ommeren Share on the AEX Stock Exchange on the day of the execution of the deed of merger, whereby the Exchange Ratio will be taken into account. If there is no opening price on the day of the execution of the deed of merger on the aforementioned stock exchange, the last known closing price published in the "Officiële Prijscourant" (the official daily list of the AEX Stock Exchange) for a Van Ommeren Share will be used for the calculation of the aforementioned payment.

Exchange of depositary receipts of shares

The Trustees will, subject to the condition of the completion of the Merger, pass resolutions to discontinue the administration and will allot the Vopak Shares allotted to them in connection with the Merger to the rightful holders of depositary receipts of shares as follows:

- each depositary receipt of a Pakhoed share gives entitlement to one Vopak Share; and
- a depositary receipt of a Van Ommeren share gives, only for the calculation of the partial claim of a holder of a depositary receipt of a Van Ommeren share, entitlement to 134 fractions of a Vopak Share of one hundredth euro. The entitlement to every 100 fractions will be converted into one Vopak Share with a nominal value of € 1.

In the event that, when converting depositary receipts of Van Ommeren shares, the total number of fractions per holder of depositary receipts of Van Ommeren shares is not equal to 100 or a multiple of 100, these will exist in a remaining partial claim to a Vopak Share. Any possible remaining partial claim will be settled by means of a cash payment. When making such settlement, the rounding off and settlement per individual former holder of depositary receipts of Van Ommeren shares will take place in line with common practice applied by the AEX Stock Exchange Admitted Institutions ('Toegelaten Instellingen'). In general, the entitlement to 50 or more fractions will be rounded up (subject to additional payment) and the entitlement to less than 50 fractions will be rounded down (subject to reimbursement). Stichting Administratiekantoor Koninklijke Van Ommeren will facilitate the settlement of fractions.

Fractions of Vopak Shares will not be traded on the AEX Stock Exchange. Van Ommeren and Pakhoed will pay the Admitted Institutions a commission of € 4 per custody client, as well as an additional fee of € 2,50 per custody client for the settlement and rounding off of any fractions of Vopak Shares that ensue from the conversion of depositary receipts of Van Ommeren shares. This will enable the conversion of depositary receipts of Van Ommeren shares and depositary receipts of Pakhoed shares to take place free of commission for the former holders of depositary receipts of the Van Ommeren and Pakhoed shares.

The Trustees will ensure the conversion of the depositary receipts of Pakhoed shares and the depositary receipts of Van Ommeren shares into Vopak Shares through ABN AMRO. The costs of this conversion will be borne by the Merging Companies. The Vopak bearer shares to be allotted in connection with the Merger will be embodied in one collective bearer document ('Global note') to be administered by Necigef, the central institute referred to in the Dutch Securities Book-Entry Transfer Act (Wet Giraal Effectenverkeer).

2.3 COMPLETION OF THE MERGER

The Executive Board of Van Ommeren, the Executive Board of Pakhoed and the Executive Board of Vopak have jointly drawn up the Merger Proposal, which has been approved by the Supervisory Boards of the Merging Companies and signed by all members of the Executive and Supervisory Boards of the Merging Companies. Ernst & Young Accountants and KPMG Accountants NV have issued opinions for the benefit of the Merging Companies regarding the fairness of the proposed Exchange Ratio. The Merger Proposal, together with all other requisite documents, was filed on 29 September 1999 at the Trade Register of the Rotterdam Chamber of Commerce in order to allow any individual to inspect these. Notice of this filing has been given by means of advertisements in the Dutch national daily newspapers listed on page 6. The aforementioned documents have also been made available for inspection at the offices of each of the Merging Companies.

Creditors and other contracting parties of Van Ommeren, Pakhoed and Vopak are entitled, in accordance with the provisions of law, to object to the intended Merger up to one month after the announcement of the filing of the Merger Proposal. The formal resolutions for the Merger must be passed by the Executive Board of Vopak and by the Extraordinary General Meetings of Shareholders of Van Ommeren and Pakhoed. The resolutions of said General Meetings of Shareholders must be passed by at least 2/3 of the votes cast in a meeting in which at least half of the issued share capital is represented. Holders of depositary receipts of shares will be given the opportunity, if so desired, to cast a vote themselves in these meetings by means of proxies to be provided by the Trustees in accordance with the rules of administration applied by these Trustees. After the decision-making process and the fulfilment of the conditions mentioned in section 2.5, the Merger will be completed by the execution of a notarial deed of merger.

Van Ommeren, Pakhoed and Vopak expect this notarial deed of merger to be executed on 3 November 1999 and, that as a consequence, the Merger will come into effect on 4 November 1999 at 00.00 hours. However, these data are dependent on the provisions set out in section 2.5 and may be subject to change. In an economic sense the Merger will come into effect as of 1 January 1999.

2.4 SHARE CAPITAL

Authorised capital

When the Merger comes into effect, the authorised capital of Vopak will be € 240,000,000 and will be divided into:

- 80,000,000 ordinary shares with a nominal value of € 1 each;
- 40,000,000 cumulative financing preference shares with a nominal value of € 1 each;
- and
- 120,000,000 cumulative preference shares with a nominal value of € 1 each.

Ordinary shares

Upon completion of the Merger, the Shares of Van Ommeren and Pakhoed will be cancelled. At present 14,499,719 Van Ommeren Shares and 32,961,363 Pakhoed Shares are outstanding. Van Ommeren Shares and Pakhoed Shares are primarily held by the Trustees. In return for these shares the Trustees have issued depositary receipts of shares. These depositary receipts of ordinary shares are listed on the AEX Stock Exchange. The Vopak Shares, that will be allotted in connection with the Merger, will be allotted to the Trustees and the other registered holders of Van Ommeren and Pakhoed Shares respectively. After the Merger, 52,390,976 Vopak Shares will be outstanding to third parties for which listing only on the AEX Stock Exchange has been applied for. No depositary receipts of shares will be issued for the Vopak Shares. ABN AMRO will carry out the conversion of Van Ommeren Shares and Pakhoed Shares into Vopak Shares.

Personnel options

The options for personnel of Van Ommeren and Pakhoed outstanding at the time of the Merger will be converted into options on Vopak Shares in accordance with the regulations governing the options and by applying the Exchange Ratio.

For the purpose of preventing the shares held by Pakhoed and Van Ommeren for the purpose of the existing option plans from being cancelled, Pakhoed and Van Ommeren respectively will sell and transfer those Shares to the foundations Stichting Parkeer P-Aandelen and Stichting Parkeer O-Aandelen to be incorporated before the completion of the Merger. After the completion of the Merger, those shares will be converted into Vopak Shares and will be acquired by Vopak, under the condition that, after adoption of Vopak's annual accounts, Vopak has sufficient free distributable reserves for that purpose. As at 30 June 1999, Pakhoed held 197,000 Pakhoed Shares and Van Ommeren holds 300,000 Van Ommeren Shares. These numbers may be subject to change.

Orange agreement

Pursuant to the ORANGE financing agreement concluded by Pakhoed, Vopak will be entitled to make the repayments of the subordinated loan originally amounting to NLG 100 million, on the respective repayment dates set out in that agreement, by way of issuing Vopak Shares.

Financing Preference Shares

At the completion of the Merger, the authorised share capital of Vopak also includes 40,000,000 Financing Preference Shares with a nominal value of € 1 each.

Pakhoed is considering to issue, prior to the Merger, series 2 Pakhoed Financing Preference Shares with a nominal value of NLG 5 ('Finpref(s) Pakhoed II') by means of a public offering of up to 4,000,000 shares, in lots that are divisible by 100, with an issue price of NLG 2,937.50 per 100 Finprefs Pakhoed II. The detailed terms and conditions of the Finprefs Pakhoed II that are to be issued will be announced separately in a prospectus to be distributed by Pakhoed. This issue will only be completed under the condition that the Executive Board of Vopak resolves to the Merger.

After the above issue becomes effective, but prior to the completion of the Merger, Vopak is expected to issue Vopak Financing Preference Shares against the contribution of Pakhoed Financing Preference Shares (the 'Exchange of Finpref(s)'). Those who are Shareholder of Vopak prior to the Merger will be given the opportunity at that moment to exercise a preference right.

Against the contribution of one (1) series 1 Pakhoed Financing Preference Share ('Finpref(s) Pakhoed I'), Vopak will issue one (1) series 1 Vopak Financing Preference Share with a nominal value of € 1 ('Finpref(s) Vopak I'). Against the contribution of one hundred (100) Finprefs Pakhoed II, Vopak will issue two hundred and thirty-five (235) series 2 Vopak Financing Preference Shares with a nominal value of € 1 ('Finpref(s) Vopak II').

Prior to the completion of the Merger, a total of 25,400,000 Vopak Financing Preference Shares, divided into 16,000,000 Finprefs Vopak I and 9,400,000 Finprefs Vopak II, will have been issued, provided that the maximum number of Finprefs Pakhoed II will have been issued and the Exchange of Finprefs has been fully completed. The Vopak Financing Preference Shares will be placed with Stichting Administratiekantoor Financieringspreferente Aandelen Pakhoed, the name of which will be changed prior to the completion of the Merger into Stichting Administratiekantoor Financieringspreferente Aandelen Vopak. Depositary receipts of the Vopak Financing Preference Shares will be granted to the holders of the depositary receipts of the Pakhoed financing preference shares according to the exchange ratio indicated hereabove and subject to the cancellation of the existing depositary receipts of the Pakhoed financing preference shares.

Prior to the Exchange of Finprefs, the current rules of administration of Stichting Administratiekantoor Financieringspreferente Aandelen Pakhoed must have been amended. The passing of resolutions hereto by the holders of depositary receipts of Finprefs Pakhoed I is required. If such a resolution is not passed, the Exchange of Finprefs shall not be completed.

If the Exchange of Finprefs has not taken place prior to the completion of the Merger, the following will apply to each Pakhoed Financing Preference Share that is issued to parties other than Vopak at the moment of the execution of the deed of merger:

- a. one Finpref Pakhoed I gives entitlement to one Finpref Vopak I. An amount of share premium will be jointly allocated to all Finprefs Vopak I that are allotted in connection with the Merger. Such amount will be the equivalent of the total amount of the share premium that was paid up at the time of issue on all Finprefs Pakhoed I issued by Pakhoed, namely an amount of NLG 7.50 per Finpref Pakhoed I, increased by an amount equal to the difference between the total nominal value of all Finprefs Pakhoed I issued by Pakhoed prior to the Merger and the total nominal value of all Finprefs Vopak I to be allotted by Vopak in connection with the Merger, being for each Vopak Financing Preference Share the difference between NLG 5 and the equivalent in Dutch guilders of € 1. The holders of the Finprefs Vopak I allotted in connection with the Merger will be mutually entitled to the abovementioned amount that will have been allocated to the Finprefs Vopak I as share premium, in proportion to the Finprefs Vopak I held by them.
- b. one Finpref Pakhoed II gives entitlement to 2.35 Finprefs Vopak II. An amount of share premium will be jointly allocated to all Finprefs Vopak II that are allotted in connection

with the Merger. Such amount will be the equivalent of the total amount of the share premium that was paid up at the time of issue on all Finprefs Pakhoed II issued by Pakhoed, being an amount of NLG 2,437.50 per 100 Finprefs Pakhoed II, decreased by an amount equal to the difference between the total nominal value expressed in Dutch guilders of all Finprefs Vopak II to be allotted by Vopak under the Merger and the total nominal value of all Finprefs Pakhoed II issued by Pakhoed prior to the Merger. The holders of the Finprefs Vopak II allotted under the Merger will be mutually entitled to the abovementioned amount that will have been allocated to the Finprefs Vopak II as share premium, in proportion to the Finprefs Vopak II held by them.

All Finprefs Pakhoed I, Finprefs Pakhoed II, Finprefs Vopak I and Finprefs Vopak II have been registered into the share register of the companies involved. All Finprefs Pakhoed I and II will have been certified. The Finprefs Vopak I and Finprefs Vopak II allotted in connection with the Merger will also be certified.

In the event that all Finprefs Pakhoed I and Finprefs Pakhoed II issued are already held by Vopak at the moment of the execution of the deed of merger as a result of the Exchange of Finprefs, then Finprefs Pakhoed I and Finprefs Pakhoed II will be cancelled and no Finprefs Vopak I or Finprefs Vopak II will be allotted in connection with the Merger.

After the completion of the Merger, the Executive Board of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak will consist of:

- G.J. Tammes, Chairman
- H. Heemskerk
- D.R. de Kat
- A.H. Spoor
- J. Ubas

Cumulative preference shares

Stichting Pakhoed has announced that it will waive its right to take Pakhoed Preference Shares, on the condition that the deed of merger is executed.

Stichting Preferente Aandelen Koninklijke Van Ommeren has announced that it will waive its right to take Van Ommeren Preference Shares, on the condition that the notarial deed of merger will be executed.

Vopak intends, either prior to or at the time of the completion of the Merger, to grant a call option right to a legal entity to be established in the form of a foundation, named Stichting Vopak, to acquire Vopak Preference Shares up to a nominal amount equal to 100% of the nominal amounts of the issued Vopak Shares and the issued Vopak Financing Preference Shares held by third parties at the moment the right will be exercised, reduced with the nominal amount of one Vopak Share. In addition, Stichting Vopak intends, either prior to or at the time of the completion of the Merger, to grant a put option right to place Vopak Preference Shares with Stichting Vopak up to a nominal amount equal to 100% of the nominal amounts of the issued Vopak Shares and the issued Vopak Financing Preference Shares, held by third parties at the moment the right will be exercised, reduced with the nominal amount of one Vopak Share. The abovementioned rights will be granted subject to specific conditions to be described in an option agreement to be concluded between Vopak and Stichting Vopak. Such agreement will be concluded under the condition that the Merger will be completed.

The Executive Board of Stichting Vopak will consist of:

- D.R. de Kat
- C.J. Oort
- R.E. Selman
- A.P. Timmermans
- W.E. de Vin

Shareholders' Rights

The shares that are to be issued in connection with the Merger will not be certified. As from 1 January 1999, the holders of Van Ommeren and Vopak Shares will share in the profit of Vopak for the financial year 1999 to the extent it is not yet distributed and in the profits of subsequent years, taking into account that the holders of Finprefs Pakhoed I also share, as

from 1 January 1999, in the above profits but only for the fixed coupon entitlement of 5.96%, and also taking into account that the holders of Finprefs Pakhoed II share in the profits from the moment that the Finprefs Pakhoed II have been issued, be it for the fixed coupon entitlement that is determined at the time of issue of the Finprefs Pakhoed II. The interim dividend declared by Van Ommeren for the financial year 1999 has been taken into account in the Exchange Ratio.

Termination of the listing of Van Ommeren and Pakhoed

After the conversion of the Van Ommeren and Pakhoed Shares into Vopak Shares, the listing of both Van Ommeren and Pakhoed on the stock exchange will be terminated.

Listing of Vopak Shares

Listing of the Vopak Shares on the AEX Stock Exchange as of the date upon which the Merger is completed is a prerequisite to the Merger. After the Merger, the AEX Stock Exchange will also arrange for the conversion of listed options on Van Ommeren and Pakhoed Shares into listed options on Vopak Shares and will make further announcements in this respect in due course in the "Officiële Prijscourant".

Fund codes	39300
ISIN number	NL 0000 393007
Common code	10246768

Expected time schedule:

1 November 1999	Extraordinary General Meeting of Shareholders of Pakhoed, regarding the Merger
2 November 1999	Extraordinary General Meeting of Shareholders of Van Ommeren, regarding the Merger
3 November 1999	Execution of the notarial deed of merger
4 November 1999	Merger coming into effect and first listing of Vopak on the AEX Stock Exchange

2.5 TERMS OF THE MERGER

The implementation of the resolutions to merge as submitted to the Shareholders of the Merging Companies will, if and when these resolutions have been passed by the Extraordinary General Meetings of Shareholders of Van Ommeren and Pakhoed and by the Executive Board of Vopak, be subject to the satisfaction of the following conditions:

- a. receipt of confirmation from the Commission of the European Union (by way of resolution or in such way that a resolution can be deemed to have been passed) that the Merger and the affairs ensuing therefrom can be reconciled with competition in the European Union and receipt of the confirmation of the Merging Companies that they agree with the conditions stipulated by such resolution;
- b. receipt by the Merging Companies of statements that the applicable waiting periods (including extensions thereof) under the United States Hart-Scott-Rodino Anti-trust Improvement Act of 1976 and the regulations based thereon have expired or have been terminated;
- c. receipt by Vopak of the declarations of no objection from the Dutch Ministry of Justice with regard to the proposed amendments of the articles of association of Vopak;
- d. receipt of statements by the Merging Companies in which they confirm that they have received notice from the AEX Stock Exchange that the Vopak Shares will be allowed to trade on the Official Market of the AEX Stock Exchange; and
- e. that creditors have not objected to the Merger on the basis of Article 2:316 C.C. or, if this were to be the case, (i) security (as referred to in Article 2:316, Paragraph 1 C.C.) has been given to such creditors or (ii) a judgement which is to be immediately enforced (as referred to in Article 2:316 C.C.) has been passed whereby such objection is being quashed.

The (Central) Works Councils of Van Ommeren and Pakhoed have been requested to give advice regarding the proposal to merge. The written advice of the Works Councils has been made available for inspection at the offices of the Merging Companies in accordance with Article 2:314, Paragraph 4 in conjunction with Paragraph 2 C.C.

2.6 FAIRNESS OPINIONS

To the Supervisory Board and
the Executive Board of
Royal Pakhoed NV
Blaak 333
3011 GB Rotterdam

11 October 1999

Dear Sirs,

Proposed merger between Royal Pakhoed NV ('Pakhoed'), Royal Van Ommeren NV ('Van Ommeren'), and Vopak NV ('Vopak')

You have requested ING Barings (as part of ING Bank NV) to provide you with an opinion on the fairness of the relative financial interests that the holders of the (depository receipts of) ordinary shares in Pakhoed (the 'Pakhoed Shareholders') of NLG 5 nominal value (the 'Pakhoed Shares') and the holders of the (depository receipts of) ordinary shares in Van Ommeren (the 'Van Ommeren Shareholders') of NLG 10 nominal value (the 'Van Ommeren Shares') will acquire in Vopak upon completion of the proposed statutory merger between Pakhoed, Van Ommeren and Vopak (the 'Merger'). It is our understanding that you have considered our opinion in arriving at your recommendation to Pakhoed Shareholders to be included in the Merger and Introduction Document, dated 11 October 1999 (the 'Merger Document').

Based on the conditions and provisions of the Merger, Pakhoed Shareholders will be entitled to one ordinary Vopak share of € 1 nominal value ('Vopak Share') for each Pakhoed share, whereas Van Ommeren Shareholders will be entitled to 1.34 Vopak Shares for each Van Ommeren Share (the 'Exchange Ratio'). On completion of the Merger, Pakhoed Shareholders and Van Ommeren Shareholders will acquire an interest of 62.9% and 37.1% respectively in the ordinary share capital of Vopak.

In forming our opinion we have, amongst other things, considered the reasons and expected benefits, which you have put forward in support of the Merger, as expressed in the Merger Document. In forming our opinion we have, inter alia, considered the following information:

- (i) certain public information regarding both companies, including the Merger Document, the proposal for the statutory merger of Pakhoed, Van Ommeren and Vopak, dated 28 September 1999 and the published annual reports of Pakhoed and Van Ommeren for the financial years 1996, 1997 and 1998;
- (ii) the internal annual accounts of both companies and other internal reports and forecasts made available to us;
- (iii) expectations of certain research analysts in respect of the future results of Pakhoed and Van Ommeren and a comparison against the forecasts prepared by the management of Pakhoed and Van Ommeren;
- (iv) the historic development of share prices, market capitalisations and (interim) dividends of Pakhoed and Van Ommeren;
- (v) discussions with the members of the Executive Boards of Pakhoed and Van Ommeren relating to the information made available to us, past and current business operations, the financial situation of both companies and the strategic and financial benefits of the Merger;
- (vi) the structure of the potential issue of (depository receipts of) cumulative financing preference shares of Pakhoed of NLG 5 nominal value;

- (vii) due diligence reports regarding certain pre-agreed issues drawn up by KPMG Accountants NV and Ernst & Young Corporate Finance BV for Pakhoed and Van Ommeren respectively;
- (viii) legal due diligence reports drawn up by De Brauw Blackstone Westbroek NV and Stibbe Simont Monahan Duhot for Pakhoed and Van Ommeren respectively;
- (ix) the fiscal due diligence report drawn up by PricewaterhouseCoopers NV on behalf of Van Ommeren;
- (x) internal due diligence reports drawn up by Pakhoed and Van Ommeren in connection with the Merger; and
- (xi) other financial analyses and studies insofar as we have considered these relevant.

In relation to this opinion we have assumed and relied upon the accuracy and completeness of the information made available to us without independent verification. We have not carried out any independent valuation or appraisal of assets and liabilities and we have assumed that any such valuations or appraisals prepared by the management of both companies involved are fair and reasonable.

Although we rely on the accuracy and completeness of the information made available to us, we are aware that the reports of KPMG Accountants NV, Ernst & Young Corporate Finance BV, De Brauw Blackstone Westbroek NV, Stibbe Simont Monahan Duhot and PricewaterhouseCoopers NV provided to us by Pakhoed and Van Ommeren were not drawn up for the purpose of providing this opinion, and that the abovementioned advisers can therefore not accept any liability in this respect other than the liability ensuing from the assignment relationship with the respective companies.

Our opinion is necessarily based on market, economic and other circumstances as they are and can be evaluated at present. Our opinion does not extend to legal, accounting or fiscal aspects of the Merger and ING Barings does not accept any responsibility or liability in this respect. You have informed us that you have sought independent advice in this respect.

ING Barings is acting as the financial adviser of Pakhoed in connection with the Merger. We are charging a fee for our consultancy work. In the past, ING Barings and its affiliated companies have provided Pakhoed with services in the area of financial consultancy and financing, for which services fees have also been charged.

Based upon the foregoing, we are of the opinion that the proposed Exchange Ratio is fair and reasonable to the Pakhoed Shareholders at the date of this opinion.

This opinion has been drawn up in Dutch and a translation of this opinion is available in English. The Dutch text of this opinion is the only authentic text and prevails over the English translation.

Yours sincerely,

ING Bank NV

To the Supervisory Board and
the Executive Board of
Royal Van Ommeren NV
Westerlaan 10
3016 CK Rotterdam

Amsterdam, 11 October 1999

Dear Sirs,

The Supervisory Board and the Executive Board of Royal Van Ommeren NV ('Van Ommeren') have requested ABN AMRO Bank NV ('ABN AMRO'), as financial adviser to Van Ommeren, to provide an opinion regarding the question whether the proposed exchange ratio regarding the intended merger (the 'Merger') between Van Ommeren, Royal Pakhoed NV ('Pakhoed') and Vopak NV ('Vopak') (hereafter jointly referred to as the 'Merging Companies') can be deemed fair and reasonable from a financial point of view.

The Merger will take the form of a statutory merger between Van Ommeren, Pakhoed and Vopak. Van Ommeren and Pakhoed will cease to exist and Vopak will be the acquiring company. We understand that, by virtue of the Merger, every (depository receipt of an) ordinary share in Van Ommeren with a nominal value of NLG 10 issued immediately prior to the date upon which the Merger becomes effective ('Van Ommeren Share') gives entitlement to 1.34 ordinary shares in Vopak of € 1 nominal value. Furthermore, every (depository receipt of an) ordinary share in Pakhoed with a nominal value of NLG 5 which is issued immediately prior to the date upon which the Merger comes into effect ('Pakhoed Share') gives entitlement to 1.00 ordinary share in Vopak of € 1 nominal value ('Vopak Share') (the 'Exchange Ratio'). The Van Ommeren interim dividend paid out on 1 September 1999 was taken into account in determining the Exchange Ratio.

Immediately prior to the Merger, the interests of holders of (depository receipts of) ordinary shares in Van Ommeren ('Van Ommeren Shareholders') and Pakhoed ('Pakhoed Shareholders') in the ordinary share capital of Vopak will consequently be 37.1% and 62.9%, respectively.

The Merger will be explained in further detail in the Merger Document and will be discussed by the Van Ommeren Shareholders and the Pakhoed Shareholders during the Extraordinary General Meetings of Shareholders. These meetings will take place on 1 and 2 November 1999 for Pakhoed and Van Ommeren, respectively.

Our opinion is partly based on the reasons behind the Merger and the ensuing strategic and financial advantages for the companies in question and their Shareholders as worded in the Merger Document drawn up by the Merging Companies. Our 'Fairness Opinion' is restricted to an opinion on the relative ratio between the financial interests of Van Ommeren Shareholders compared to those of Pakhoed Shareholders, as these ensue from the Exchange Ratio. This 'Fairness Opinion' does not contain an opinion on the (intended) decision to merge.

In forming our opinion we considered, inter alia, the following items:

- a) certain publicly available information, including the Merger Document dated 11 October 1999, and the audited annual accounts of both Van Ommeren and Pakhoed for the financial years 1996, 1997 and 1998;
- b) information provided to us by the Merging Companies and their respective legal advisers and external auditors, including:
 - 1) certain internal financial analyses and forecasts for each of the Merging Companies and (written or verbal) explanations of the management relating to these documents;
 - 2) discussions with the management of the Merging Companies relating to the operations, the financial circumstances and the prospects of Van Ommeren and Pakhoed respectively and the evaluation of the Executive Boards relating to the expected financial and strategic advantages of the Merger; and

- 3) information relating to the pro forma financial effects of the Merger on each of the Merging Companies in Vopak after the Merger and the (written and verbal) explanations of the management relating to such information.
- c) the historical development of share prices, market capitalisations and dividend payments of the Merging Companies;
- d) certain reports by research analysts (including the financial forecasts and predictions set out in the reports), which we assumed are reasonably based on assumptions that reflect the best estimates currently available;
- e) due diligence reports regarding certain pre-agreed issues drawn up by Ernst & Young Corporate Finance BV on behalf of Van Ommeren and by KPMG Accountants NV on behalf of Pakhoed;
- f) internal due diligence reports drawn up by Van Ommeren and Pakhoed regarding the Merger;
- g) legal due diligence reports, drawn up by Stibbe Simont Monahan Duhot and De Brauw Blackstone Westbroek NV for Van Ommeren and Pakhoed respectively;
- h) the fiscal due diligence report drawn up by PricewaterhouseCoopers NV on behalf of Van Ommeren;
- i) publicly available information regarding certain listed companies that are engaged in commercial activities comparable to those of Van Ommeren and Pakhoed; and
- j) other financial analyses and studies insofar as we have considered these relevant in the context of this 'Fairness Opinion'.

In the absence of independent verification, we have assumed and relied on that the information that was publicly available or was made available to us by the Merging Companies or that we studied in some other way to form this opinion, is accurate and complete and we do not accept any responsibility or liability for this, now or in the future. We have not made an independent valuation or appraisal of assets and liabilities of Van Ommeren or Pakhoed, nor have we been given any independent valuation or appraisal and we have assumed the valuations provided by the management of the respective Merging Companies to be true and fair.

Although we rely on the accuracy and completeness of the information made available to us, we are aware that the reports of Ernst & Young Corporate Finance BV, KPMG Accountants NV, Stibbe Simont Monahan Duhot, De Brauw Blackstone Westbroek NV and PricewaterhouseCoopers NV given to us by Van Ommeren and Pakhoed were not drawn up for the purpose of this 'Fairness Opinion' and that the abovementioned advisers can therefore not accept any liability in this respect other than that ensuing from the assignment relationship with the respective companies.

This 'Fairness Opinion' only relates to economic, market and other circumstances as these exist at present and the information made available to us. Future developments in the aforementioned circumstances can change this opinion and the principles on which it is based. Our opinion does not extend to legal, fiscal or accounting related aspects of the Merger. You have informed us that you have sought independent advice in this respect and ABN AMRO accepts no responsibility or liability whatsoever in this respect.

This 'Fairness Opinion' is exclusively intended for the Supervisory Board and the Executive Board of Van Ommeren. It does not in any way form a recommendation by ABN AMRO to Van Ommeren Shareholders as to how they should deal with the merger proposal. Third parties may not use this 'Fairness Opinion' for any purpose whatsoever, nor may they rely on it, nor may they publish it, in whole or in part. This 'Fairness Opinion' may be included in the Merger Document in its entirety. However, it may only be used to indicate that we provided it to the Supervisory Board and the Executive Board of Van Ommeren at their request.

ABN AMRO is acting in its capacity as financial adviser to Van Ommeren. We are charging a fee for these services. In the past, ABN AMRO and its affiliated companies have provided services to Van Ommeren in the area of financial consultancy and financing, for which services fees have also been charged.

Subject to the above, we are of the opinion that, at the date of this letter, the proposed Exchange Ratio is fair and reasonable to the Van Ommeren Shareholders.

The Dutch text of this opinion is the only authentic text and prevails over the English translation of the text, which will also be made available.

Yours sincerely,

ABN AMRO Bank NV

3. ROYAL PAKHOED (KONINKLIJKE PAKHOED NV)

3.1 GENERAL INFORMATION

Company profile

Pakhoed is the largest distributor of chemical products in the world. In addition, the company is the global market leader in tank storage of oil and chemicals, and provides logistic services to the chemical and oil industry. Next to its position in Europe in the transport of chemical products by ship, Pakhoed offers specialised logistic services, such as shipping agencies, storage of dry bulk products, environmental services and storage of packaged chemical products. Pakhoed's core activities consist of logistics (tank storage, shipping, and specialised services) and distribution, which are closely connected. Pakhoed operates in 26 countries in North America, Europe, and Asia. Chemical Distribution services more than 250,000 industrial customers from approximately 170 storage and distribution centres. Including its participations, the company owns 37 terminals with a total storage capacity of 16 million m³. Chemical products account for 5 million of these. Deep sea and inland tanker vessels transport more than 5 million tons of products annually.

The present company is a public limited liability company (NV) whose shares are traded on the AEX Stock Exchange in Amsterdam. Its Corporate Office is located in Rotterdam, and realises an annual turnover of approximately € 3 billion (1998). The company has more than 6,800 employees worldwide. On a group basis, the company seeks to achieve a return on invested capital (including goodwill) of 16%.

Incorporation and articles of association

Royal Pakhoed was incorporated by notarial deed on 20 October 1967. The articles of association were last amended by deed passed on 18 June 1997.

Registered office and trade register

Royal Pakhoed has its registered office at the following address:
Blaak 333, 3011 GB Rotterdam, The Netherlands
P.O. Box 863, 3000 AW Rotterdam, The Netherlands
Telephone : +31 10 400 2911
Fax : +31 10 413 9829
E-mail : info@pakhoed.com
Internet : www.pakhoed.nl
Internet : www.pakhoed.com

Pakhoed is listed in the trade register of the Rotterdam Chamber of Commerce under number 24121212.

Executive Board

N.J. Westdijk, Chairman
G.P. Krans
A.H. Spoor

Supervisory Board

H. de Ruiter, Chairman
J.F.M. Peters
P. Bouw
N.S. Rogers
Y. Bobillier
J.A.N. van Dijk
R.E. Selman

Authorised capital

The authorised capital amounts to NLG 700,000,000, divided into 50,000,000 ordinary shares, 20,000,000 financing preference shares and 70,000,000 preference shares, each with a nominal value of NLG 5. Currently there are 32,961,363 ordinary shares and 16,000,000 financing preference shares outstanding. Pakhoed has the intention to issue a maximum of 4,000,000 additional financing preference shares.

Financial year

The financial year of Pakhoed runs from 1 January to 31 December.

Auditors

KPMG Accountants NV
K.P. van der Mandelelaan 41
3062 MB Rotterdam
The Netherlands

3.2 ACTIVITIES

History

Pakhoed was created in 1967 through the merger of Pakhuismeesteren NV ('Pakhuismeesteren') and Blauwhoed NV ('Blauwhoed'). Blauwhoed was established in 1616, in Amsterdam, when a group of weight carriers decided to join forces to carry loads from the ships of the Oost-Indische Compagnie to and from the city weighhouse. Later Blauwhoed also started to offer storage facilities for products from the Dutch colonies and other products. Blauwhoed then developed itself into a complete storage, stevedore and agency company for dry cargo. In addition, Blauwhoed undertook real estate development activities. These real estate activities were discontinued in the eighties.

Pakhuismeesteren was established in 1818 in Rotterdam. Pakhuismeesteren originally specialised mainly in the loading, unloading, and storage of products from the Dutch colonies, such as tea, coffee, and spices. Towards the end of the nineteenth century, Pakhuismeesteren also started to offer storage facilities for oil and oil products, initially in barrels, but as early as of 1888 also in bulk tanks. After World War II, as refinery activities and the chemical industry grew in Rotterdam, the focus shifted increasingly towards tank storage activities. Pakhuismeesteren also engaged in agencies and stevedore activities.

Since the merger of Blauwhoed and Pakhuismeesteren, Pakhoed has developed into a company with two main activities, namely:

- Logistic services for the chemical and oil industry, including tank storage, shipping, and specialised services; and
- Chemical distribution.

Chemical distribution

Pakhoed has been active in chemical distribution since it acquired a 35% interest in the American company Univar Corporation ('Univar') in 1986. Univar, the parent company of Van Waters & Rogers, was the largest chemical distributor in North America at that time and has managed to retain that position until this day. Through Univar Europe NV, in 1991, Pakhoed participated in a European distribution company with activities mainly in Northern Europe. Furthermore, the chemical distribution company Lambert Rivière was acquired by Pakhoed in 1995, thus increasing its presence in Southern Europe. In 1996, Pakhoed became the sole owner of Univar. These acquisitions enabled Pakhoed to become the global market leader in chemical distribution. Pakhoed seeks to further strengthen this position through acquisitions and autonomous growth.

Key figures capacity of distribution companies as at 31-12-1998

	Europe	North America
Number of storage locations	37	130
Storage space	99,635 m ²	416,000 m ²
Tank storage	98,000 m ³	70,500 m ³

The distribution companies of Pakhoed buy chemical products, maintain inventories, and transport these to their customers. The companies also provide supplementary services such as packaging, drumming, mixing, labelling, and treatment of waste materials.

Tank storage

Pakhoed's tank storage terminals are aimed primarily at the storage of liquid bulk products for the chemical and oil industry. The service includes the loading and unloading of oil and chemical deep sea tankers, the storage of, and arrangement of follow-up transport for these

products in coastal vessels and barges and/or tank wagons and trucks. The majority of the chemical tank storage terminals has pipeline facilities and provides supplementary services, such as, for example, drumming.

Key figures tank storage capacity as at 31-12-1998 (including participations)

terminals	37
crude oil	10,837,000 m ³
chemicals	5,012,000 m ³
vegetable oils	480,000 m ³

Shipping

All shipping activities of Pakhoed are executed by Pakhoed Shipping. The sea transport of chemicals is mainly directed at North-western Europe and the Mediterranean. Pakhoed Shipping's inland shipping activities primarily concern the transport of chemicals in North-western Europe. In addition, Pakhoed Shipping has, through Theodora Tankers, a high-quality fleet of deep sea tankers for the transport of products such as bitumen, tar, and chemicals.

Key figures shipping capacity as at 31-12-1998

	DWT
Coastal shipping	54,220
Theodora Tankers	30,433
Inland shipping	
– owned	30,020
– chartered	16,126

Specialised services

Pakhoed also provides the following specialised services for the chemical and oil industry:

- warehousing of hazardous packaged products and other non-chemical products;
- shipping agencies;
- environmental services;
- dry bulk storage;
- distillation (annual capacity of more than 500,000 tons); and
- flow management.

Pakhoed achieved an operational result in 1998 of € 194 million on a net turnover of € 3,006 million. Logistic activities in 1998 accounted for 58% of the operational result and chemical distribution for 42%.

Pakhoed achieves 9% of its turnover in The Netherlands. The contribution to turnover of Europe and the rest of the world (mainly the United States) is 30% and 61%, respectively.

1998	Net turnover (€ million)	%	Operating result (€ million)	%
Chemical distribution	2,593	86%	83	42%
Tank storage	264	9%	100	51%
Other logistics services				
– shipping	90	3%	14	7%
– specialised services	58	2%	–	–
Subtotal	3,005	100%	197	100%
Other / holding	1		(3)	
Total	3,006		194	

3.3 KEY FIGURES

Pakhoed five-year review (x € million)	1998	1997	1996	1995	1994
Profit and loss account					
Net turnover	3,006	2,821	1,631	939	619
Operating expenses	- 2,775	- 2,605	- 1,487	- 812	- 501
Depreciation	- 69	- 64	- 59	- 54	- 50
Operating result	194	171	106	95	79
Interest	- 43	- 40	- 25	- 19	- 13
Taxes	- 48	- 41	- 19	- 20	- 23
Net profit ¹	98	81	34	55	42
Balance sheet					
Shareholders' equity	454	470	400	458	461
Long-term liabilities	538	472	474	267	237
Current liabilities to credit institutions	173	152	136	92	49
Tangible fixed assets	871	850	772	591	560
Cash flow					
Net profit and depreciation	167	145	93	109	92
Capital investments	- 116	- 90	- 96	- 79	- 68
Operating capital ²	312	299	248	150	66
Net operating cash flow	144	121	132	42	78
Data per Share (€)					
Net profit (EPS)	3.03	2.54	1.09	1.82	1.45
Shareholders' equity	14.11	14.65	12.84	15.06	15.65
Dividend	1.20	1.09	0.82	0.82	0.73
Highest share price ³	35.40	34.71	24.50	24.05	25.96
Lowest share price ³	18.11	24.19	17.61	18.29	19.65
Number of ordinary shares x 1,000	32,172	32,120	31,165	30,444	29,447
Other data					
Employees	6,815	6,457	6,339	5,218	4,766
Return on Shareholders' equity ⁴	22.3%	19.9%	8.0%	12.0%	10.0%
Return on invested capital ⁵	15.6%	14.8%	11.1%	12.8%	11.5%

1 Net profit for Pakhoed Shareholders

2 Trade accounts receivable plus inventories minus trade accounts payable.

3 Source: Bloomberg

4 Return on Shareholders' equity: net profit divided by average Shareholders' equity (fixed assets, inventories and current assets minus current liabilities, dividend, fixed assets under construction and other loans).

5 Return on invested capital: net profit divided by average invested capital.

Developments in 1998

In 1998, Pakhoed achieved a net profit for Shareholders Pakhoed of € 98 million, compared with € 81 million in 1997.

The positive development of results in 1997 continued during a large part of 1998, with the exception of the shipping activities. During the second half of 1998, however, the throughput in the tank storage of chemicals in Europe started to decline somewhat. This reflects the less favourable commercial circumstances for the European production of bulk chemicals in 1998.

The growth in profit is partially due to an increase of the gross margin of the chemical distribution activities in America and Europe. An additional factor is a significant increase in the capacity utilisation rates and price increases at the tank terminal companies. The full impact of the reorganisation in the Rotterdam oil tank terminal companies, as completed in 1997, was felt in 1998.

In 1998, a net turnover of € 3 billion was achieved, an increase of € 0.2 billion compared to 1997. Of this increase, € 125 million can be attributed to acquisitions. Currency fluctuations, mainly related to the British pound and the American and Canadian dollar, resulted in a downward effect of € 11 million. The autonomous turnover growth of the distribution and logistic activities amounted to € 68 million and € 3 million, respectively. The distribution of turnover by activity is as follows:

<i>(in € millions)</i>	1998	1997
logistics: tank storage	264	232
logistics: shipping	90	96
logistics: specialised services	58	69
distribution	2,593	2,423
other/holding	1	1
	3,006	2,821
total net turnover		

Profit from ordinary operations after tax increased by 14.6% up to € 103 million. Both logistics and distribution accounted for this increase. The improved results for both logistics and distribution led to an increase in the return on invested capital excluding goodwill to 15.6%, an increase of 0.8 percentage point as compared to 1997.

Return on invested capital (excluding goodwill)

	1998	1997
logistics: tank storage	18.6%	13.9%
logistics: shipping	9.7%	16.9%
logistics: specialised services	0.9%	16.0%
distribution	17.4%	15.9%
Total	15.6%	14.8%

Interest expenses amounted to € 43 million, an increase of 7%. The average interest rate dropped from 6.3% in 1997 to 6.1% in 1998. The increase in interest expenses is the result of a further increase in the net debt position in relation to 1997, due to acquisitions and the payment of cash dividends. Extraordinary expenses in 1998 amounted to € 0.5 million, compared to € 3.0 million in 1997. Net profit available for Shareholders Pakhoed increased from € 81 million in 1997 to € 98 million. Earnings per share increased by over 19% from € 2.54 in 1997 to € 3.03 per share.

Semi annual figures 1999

During the first six months of 1999, Pakhoed's net turnover of € 1.6 billion remained, unchanged as compared to turnover for the first half-year of 1998. The € 19 million increase resulting from acquisitions and higher distribution volumes was fully offset by a lower average price level.

Gross margin increased by 4.1% to € 460 million (1998: € 441 million), which is related to the chemical distribution activities. Costs (excluding depreciation), however, increased by 5.9% to € 341 million (1998: € 322 million) owing to acquisitions, salary cost increases and higher variable costs incurred to handle the greater volume in the distribution business.

The group result amounted to € 97 million, which compares to € 99 million achieved in 1998. Interest and taxes were somewhat higher in 1998. The result from ordinary operations of € 51 million came close to the amount of € 52 million in 1998.

The balance of extraordinary profits and losses proved negative this year, contrary to the prior year: a loss of € 1 million (1998: profit of € 2 million). As a result, net profit available for Pakhoed Shareholders, after deduction of the dividend of € 3 million for Pakhoed Preference Shares, dropped to € 48 million (1998: € 51 million). Also, the number of outstanding Pakhoed Shares increased to 32.961 million by mid-1999 (1998: 32.170

million). Although the operational result was practically identical to that of last year, these factors caused the earnings per share to decline by 8.2% to € 1.45 (1998: € 1.58).

The Executive Board of Pakhoed is of the opinion that Pakhoed has achieved a satisfactory result during the first half of 1999, certainly in the light of the difficult chemical and oil market circumstances of the last twelve months. This demonstrates, in the view of the Executive Board, that Pakhoed has succeeded in becoming less cyclical as compared to a number of years ago.

Major developments after 30 June 1999

The shareholders of Europe Combined Terminals BV ('ECT') (Internatio-Müller NV, Royal Nedlloyd NV, Royal Pakhoed NV and NS Groep NV) and a consortium consisting of Hutchison Port Holdings ('Hutchison') (50%) and a group (50%) in which the Rotterdam Municipal Port Authority and various Dutch financial institutions are jointly participating, announced in early 1999 that they expected to reach agreement on the sale of the outstanding share capital of ECT to the consortium. The eventual acquisition price is expected to be approximately € 309 million. In early August, the parties announced that they were planning to sign a revised sale agreement. In the new structure, Hutchison and the Rotterdam Municipal Port Authority will each obtain a 35% interest. The remaining 30% of the share capital will be divided amongst financial institutions (28%) and ECT employees (2%).

In addition to the intended sale of the interest in ECT, Pakhoed completed on 1 July the acquisition of the Belgian chemical distributor Roland SA ('Roland'), including Marchem NV (Lokeren) and Roland Nederland (Amsterdam). Roland is operating in the Benelux and has a turnover of € 85 million. Roland employs 160 persons and will become part of PDE.

On 30 September 1999, Pakhoed announced its final agreement with C. Koole Beheer BV ('Koole') regarding the sale of three Pakhoed terminals to Koole. This relates to Paktank Pernis and two tank terminals in Nijmegen (total capacity: 392,000 m³).

On 8 September 1999, Pakhoed announced that it had reached agreement with the shareholders of the leading Polish distribution company, 'Dystrybucja' regarding the take-over of said company by Pakhoed. Dystrybucja is the major distributor of products for the growing Polish automobile industry. The company is also the main distributor for the Polish 3M organisation.

3.4 OTHER DATA

Shares and stock exchange listing

Pakhoed Shares are listed on the AEX Stock Exchange in Amsterdam. In addition, options on Pakhoed Shares are traded on the AEX Stock Exchange in Amsterdam. Pakhoed Shares have a nominal value of NLG 5 per share. The number of outstanding Pakhoed Shares currently amounts to 32,961,363. A total of 16 million Financing Preference Shares Pakhoed with a nominal value of NLG 5 per share, issued in December 1996 by Pakhoed, are also outstanding.

In 1998, the average daily trading volume was close to 200,000 Pakhoed Shares.

Pursuant to the ORANGE financing agreement, a capital increase of approximately 0.8% can take place annually during the period from 1999 to 2006, based on an average share price of € 22.50.

Shareholders

Under the Dutch Major Holdings Disclosure Act, shareholdings of 5% or more of the capital in any listed Dutch company must be disclosed to the company. The following holdings of more than 5% in the share capital of Pakhoed have been disclosed:

	Voting rights	Participation in Shares	Participation in depository receipts of Shares
Commercial Union Assurance Plc			7.76% ¹⁾
Ducatus NV			5.94% ¹⁾
HAL Holding NV			13.59% ²⁾
ING Groep NV			5.02% ³⁾
ABP-PGGM Capital Holdings NV			5.81% ⁴⁾
Rabobank Nederland			5.95% ⁵⁾
SAP ⁶⁾	67.20%	67.20%	
SAFAP ⁷⁾	32.68%	32.68%	

1) Disclosed on 3 December 1996

2) Disclosed on 4 May 1999

3) Disclosed on 20 June 1994

4) Disclosed on 14 June 1999

5) Disclosed on 4 December 1996

6) Stichting Administratiekantoor Pakhoed

7) Stichting Administratiekantoor Financieringspreferente Aandelen Pakhoed

Issue of depository receipts

Pakhoed Shares are administered by Stichting Administratiekantoor Pakhoed which issues (limited) convertible bearer depository receipts of these shares.

Share price performance

The following table presents an overview of the highest and lowest share prices of Pakhoed Shares, as obtained from Bloomberg.

(In € per Share of NLG 5 nominal value)

	1996		1997		1998		1999	
	High	Low	High	Low	High	Low	High	Low
January	19.97	17.65	27.32	24.19	28.82	26.32	22.40	19.75
February	19.10	17.61	27.68	25.73	31.04	28.77	22.40	20.00
March	20.33	19.33	29.09	26.55	34.40	31.81	23.15	21.10
April	21.33	19.20	29.22	26.91	35.40	33.58	22.35	20.10
May	19.97	19.15	29.90	28.36	34.26	31.77	23.65	21.85
June	21.96	19.97	31.72	29.59	34.40	30.54	23.45	22.05
July	21.06	19.10	34.71	31.08	30.99	27.73	25.15	22.80
August	21.51	18.92	34.35	31.54	27.54	26.09	25.10	24.35
September	22.55	20.19	32.31	29.90	25.19	19.29	26.20	24.10
October	24.50	22.51	32.72	27.82	20.87	18.11		
November	24.05	22.96	28.86	24.50	23.82	20.47		
December	24.50	23.37	26.77	24.96	21.56	19.20		

Dividend policy

Pakhoed's policy is to declare a dividend of approximately 40% of the net profit from ordinary operations, after deduction of a dividend payment of NLG 11,920,000 to the holders of the outstanding Financing Preference Shares Pakhoed that were issued in 1996. The dividend on the Financing Preference Shares Pakhoed has been fixed for the period up to 2005.

Option scheme

Pakhoed has granted option rights to approximately 150 employees with a duration of five years after the year of issue. These employees represent the top management of the company. The options are granted annually, with the contribution to the success of the company as the most important criterion. The option rights are approved by the remuneration committee of the Supervisory Board. Pakhoed neither reimburses nor facilitates the prepaid taxes on options granted. Participants in the option scheme are not allowed to trade in publicly traded options.

Options may be exercised by the participant at any moment during the exercise period, taking into account, however, the applicable legislation to prevent the misuse of inside information. The members of the Supervisory Board have no option rights.

Option rights granted to members of the Executive Board as at 31 December 1998 were as follows:

Expiry date	Year of issue	Options granted	Outstanding options at 31-12-1998	Outstanding options at 31-12-1997	Exercise price ¹
Up to 7 October 1998	1993	10,000	–	–	€ 19.42
6 October 1999	1994	10,000	–	–	€ 20.19
12 October 2000	1995	28,000	28,000	28,000	€ 20.24
10 October 2001	1996	42,000	42,000	42,000	€ 23.32
9 October 2002	1997	39,000	39,000	39,000	€ 31.31
8 October 2003	1998	39,000	39,000	–	€ 18.88
			148,000	109,000	

Option rights granted to other employees were as follows:

Expiry date	Year of issue	Options granted	Outstanding options at 31-12-1998	Outstanding options at 31-12-1997	Exercise price
Up to 7 October 1998	1993	193,000	–	25,250	€ 19.42
6 October 1999	1994	181,750	42,000	57,250	€ 20.19
12 October 2000	1995	219,250	93,250	116,600	€ 20.24
10 October 2001	1996	258,000	197,250	218,250	€ 23.32
9 October 2002	1997	261,000	258,000	261,000	€ 31.31
8 October 2003	1998	261,000	261,000	–	€ 18.88
			851,500	678,350	

As at 31 December 1998, the members of the Supervisory Board held 4,348 depositary receipts of ordinary shares Pakhoed. At the same date, none of the members of the Executive Board held any Pakhoed Shares.

Legal procedures

The management of Pakhoed is of the opinion that no legal procedures are in process or expected to be initiated of which the outcome may have a material impact on the operational activities, financial position, operating results or assets and liabilities of Pakhoed.

¹ The exercise prices have been calculated in euros for the purpose of this Merger Document

3.5 FINANCIAL INFORMATION PAKHOED

The financial information included here is derived from the annual accounts for 1998, 1997 and 1996. These annual accounts form an integral part of this Merger Document (see section 5 'Other Data' for availability)

Consolidated profit and loss account as at 31 December (x NLG million)	1998	1997*	1996*
Gross operating turnover	6,978	6,534	3,909
Advances	– 353	– 316	– 315
Net operating turnover	6,625	6,218	3,594
Cost of sales	– 4,681	– 4,420	– 2,216
Cost of work contracted out and other external costs	– 669	– 611	– 498
Wages, salaries, and social security charges	– 767	– 709	– 563
Depreciation	– 151	– 142	– 131
Total operating expenses	– 6,268	– 5,882	– 3,408
Operating results	357	336	186
Income from participations	70	41	48
Group results	427	377	234
Net interest expense	– 95	– 89	– 55
Income from ordinary operations before taxes	332	288	179
Taxes	– 104	– 90	– 41
Income from ordinary operations after taxes	228	198	138
Extraordinary results after taxes	1	– 6	– 62
Minority Share	– 2	– 1	–
Net profit	227	191	76
Profit appropriation:			
Cumulative dividend on Financing			
Preference Shares	12	12	1
Dividend on Shares	85	77	56
Addition to reserves	130	102	19

* The comparative figures for the cost of sales for 1996 and 1997 have been adjusted for comparative purposes.

Consolidated balance sheet as at 31 December after proposed profit appropriation (x NLG million)			
	1998	1997	1996
Fixed assets			
Tangible fixed assets	1,919	1,873	1,702
Financial fixed assets	455	455	423
Total fixed assets	2,374	2,328	2,125
Current assets			
Inventories	542	517	427
Accounts receivable	1,105	1,072	884
Cash	41	38	60
	1,688	1,627	1,371
Current liabilities			
Current portion of long term debt	105	91	46
Bank and cash loans	275	244	253
Creditors and other liabilities	1,021	1,050	832
Dividend*	97	89	57
	1,498	1,474	1,188
Working capital	190	153	183
Total investment	2,564	2,481	2,308
Long-term liabilities			
Long-term debt	1,187	1,041	1,044
Provisions	375	375	360
	1,562	1,416	1,404
Group equity			
Minority interest	1	28	22
Shareholders' equity	1,001	1,037	882
	1,002	1,065	904
Total financing	2,564	2,481	2,308

* based on a full cash dividend

Consolidated cash flow statement as at 31 December (x NLG million)	1998	1997*	1996*
Net profit	227	191	76
Depreciation	151	142	131
Changes in provisions	7	- 26	18
	<u>385</u>	<u>307</u>	<u>225</u>
Retained income from participations	- 38	4	- 24
Non-realised exchange result on CHF loans (after taxes)	- 1	2	- 4
	<u>346</u>	<u>313</u>	<u>197</u>
Gross cash flow from operations			
Changes in working capital (excluding cash and short-term liabilities)	- 38	- 11	89
Changes in minority interest	2	1	2
Effect of changes in exchange rates	8	- 36	3
	<u>318</u>	<u>267</u>	<u>291</u>
Net cash flow from operations			
Investments:			
- in tangible fixed assets	- 255	- 198	- 176
- in financial fixed assets	- 15	- 52	- 36
- goodwill on acquisition of group companies and participations	- 112	- 5	- 417
- group companies acquired, excluding goodwill	- 88	- 1	- 123
Divestments:			
- tangible fixed assets	26	11	9
- financial fixed assets	43	11	2
- group companies sold	-	-	98
	<u>- 401</u>	<u>- 234</u>	<u>- 643</u>
Cash flow from investments			
Financing:			
- repayment of long-term liabilities	- 92	- 130	- 154
- drawings of long-term liabilities	274	124	294
- net proceeds from share issue	3	19	208
- acquisition of depositary receipts of own shares	- 6	-	- 2
- changes in short-term liabilities	- 5	- 56	- 52
- dividend paid	- 89	- 17	- 31
	<u>85</u>	<u>- 60</u>	<u>263</u>
Cash flow from financing			
Change in cash	<u>2</u>	<u>- 27</u>	<u>89</u>

* The comparative figures for 1997 have been adjusted for comparison purposes.

3.6 AUDITORS' REPORT

In our opinion, the consolidated financial information for the years 1998, 1997 and 1996, as set out on pages 43 up to and including 45 of this Merger Document, corresponds in all material respects with the annual accounts from which it has been derived.

Unqualified auditors' reports were issued on these annual accounts 23 February 1999, 2 March 1998 and 18 March 1997 respectively. These auditors' reports have been included in the annual accounts on which they were issued, which form an integral part of this Merger Document.

Rotterdam, 11 October 1999

KPMG Accountants NV

4. ROYAL VAN OMMEREN (KONINKLIJKE VAN OMMEREN NV)

4.1 GENERAL INFORMATION

Company profile

Van Ommeren, with its globally distributed terminal network, is one of the three largest tank storage companies in the world. The company combines tank storage with tanker shipping, tank container operations and a network of agency and forwarding offices. This makes the company a unique logistic services provider in the production and distribution chain for oil products, chemicals, vegetable oils and gasses. In 1998, Van Ommeren achieved a turnover of € 344 million. The company has 2,830 employees worldwide and is engaged in three main activities: tank storage, tanker shipping and transport services.

At the end of 1998, the global network consisted of 54 tank terminals with a total storage capacity of more than 15 million m³ including participations. The company operates on five continents: Europe, Africa, North and Latin America, Asia and Australia. The terminals are capable of handling the storage and transshipment of oil products (70%), chemicals and gasses (22%) and vegetable oils (8%).

The deep sea tanker shipping activities are combined in the 50%-owned participation known as Brovo. Brovo operates some 50 vessels for the transport of oil products and chemicals. In coastal shipping and inland shipping, Van Ommeren has approximately 140 vessels for transporting chemicals, gasses, mineral and vegetable oils.

Agency, forwarding and tank container operations provide logistic services to the chemical and oil industry as a natural extension of tank storage and tanker shipping activities.

Incorporation and articles of association

Royal Van Ommeren NV was founded as a partnership firm subject to Dutch law in 1839, in Rotterdam, and converted to a public limited liability company (NV) in 1922. The articles of association were last amended pursuant to a notarial deed dated 16 May 1995.

Registered office and trade register

Royal Van Ommeren NV has its registered office at the following address:

Westerlaan 10, 3016 CK Rotterdam

PO Box 1923, 3000 BX Rotterdam, The Netherlands

Phone : +31 10 464 9111

Fax : +31 10 464 2316

E-mail : info@vanommeren.com

Internet : www.vanommeren.nl

Internet : www.vanommeren.com

Van Ommeren is listed in the trade register of the Rotterdam Chamber of Commerce under number 24072703

Executive Board

C.J. van den Driest, Chairman

R.R. Hendriks, Vice-chairman

H.C. van Westenbrugge

Supervisory Board

K. de Kluis, Chairman

J.M. Hessels, Vice-chairman

H.L.J.M. Gieskes

D.R. de Kat

L.J.M. Pijnenburg

Authorised capital

The authorised capital amounts to NLG 600,000,000 divided into 30,000,000 shares and 30,000,000 preference shares each with a nominal value of NLG 10. Currently there are 14,499,719 shares outstanding.

Financial year

The financial year of Van Ommeren runs from 1 January to 31 December.

Auditors

Ernst & Young Accountants
Marten Meesweg 51
3068 AV Rotterdam
The Netherlands

4.2 ACTIVITIES

History

Van Ommeren began its activities in 1839, as a shipping and forwarding agent. In the ensuing years, interests were built up in deep sea shipping, inland shipping, tank storage, stevedoring companies and distribution centres. At the end of the seventies, the company started to invest in trading companies in order to offset the often strongly fluctuating results realised within shipping trade. In the early nineties, the company drastically changed its strategy; it was decided to concentrate on two core activities: shipping and tank storage. The programme of disposal of non-core activities has meanwhile been largely completed. In shipping, the emphasis shifted increasingly in the course of the nineties to the transport of liquid cargo as an addition to the tank storage operations. Investments are now primarily focused on the growth of the worldwide network of tank storage facilities whereas, in deep sea shipping, the desired critical mass is achieved through investments therein together with third parties.

Tank storage

Tank storage emerged at the beginning of this century from Van Ommeren's activities in the river transport of oil from Rotterdam to the German hinterland. By 31 December 1998, the tank storage network had expanded to 54 tank terminals in Europe, South Africa, North and Latin America, Asia and Australia with a total storage capacity of more than 15 million m³ (including participations). In addition to geographical diversification, Van Ommeren has also realised product diversification: the terminals are capable of handling the storage of chemicals, mineral and vegetable oils, and gasses.

Key figures tank storage capacity as at 31-12-1998 (including participations)

Terminals	54
Mineral oil products	10,633,000 m ³
Chemicals and gasses	3,341,800 m ³
Vegetable oils	1,215,200 m ³

Tanker shipping

The deep sea tanker shipping activities (long-haul and coastal) are combined in Brovo, in which Van Ommeren has a 50% interest. The three Brovo shipping companies, Van Ommeren Iver Ships, Van Ommeren Tankers and United Tankers, together operate a fleet of approximately 50 vessels for the transport of refined oil products and bulk chemicals, particularly methanol and MTBE. In inland shipping, Van Ommeren is active in North-western Europe (the Rhine Delta, Germany and Switzerland) transporting chemicals, mineral and vegetable oils and employing approximately 60 owned and some 40 chartered vessels. In gas shipping, Van Ommeren has a 50% interest in Chemgas, which operates a fleet of 36 vessels and is active in coastal shipping and inland shipping in Europe. Additionally, Van Ommeren has a 50% interest in Van Ommeren Gas Shipping, with two coasters in the Far East.

Key figures tanker shipping capacity as at 31-12-1998 (including participations)

	DWT
Deep sea tanker shipping	1,500,000
Inland shipping (chemicals, mineral and vegetable oils)	
– own	90,000
– chartered	82,000
Inland shipping (gas)	50,000

Transport services

Transport services consist of the following:

- agencies, forwarding and tank containers, which, in providing logistic services to the chemical and oil industry, are an important addition to Van Ommeren's tank storage and tanker shipping activities; and
- two stevedoring companies on the east coast of the United States and minority interests in a dry cargo shipping company (at the end of 1998 49%) and a heavy cargo shipping company (at the end of 1998 30%). These activities are not regarded as core activities by Van Ommeren.

In 1998, Van Ommeren achieved an operating result of € 108 million on a net turnover of € 344 million. Tank storage accounted for 71% of the operating result in 1998 and tanker shipping and transport services contributed 16% and 13%, respectively.

Van Ommeren generates 51% of its turnover in the Netherlands and 26% in the other European countries and Africa. The turnover contribution of Asia and Australia is 16% and the rest of the turnover (7%) is generated in North and Latin America.

1998	Net turnover (x € million)	%	Operating result (x € million)	%
Tank storage	223	65%	80	71%
Tanker shipping	76	22%	18	16%
Transport services	45	13%	15	13%
Subtotal	<u>344</u>	<u>100%</u>	<u>113</u>	<u>100%</u>
Other / holding	–		– 5	
Total	<u><u>344</u></u>		<u><u>108</u></u>	

4.3 KEY FIGURES

Van Ommeren five-year review (x € million)	1998	1997	1996	1995 ¹	1994
Profit and loss account					
Net turnover	344	399	343	399	441
Operating expenses (incl. Depreciation)	- 277	- 341	- 299	- 372	- 424
Results on participating interests	37	40	27	33	23
Operating result	108	103	76	69	46
Interest	- 16	- 21	- 14	- 10	- 10
Taxes	- 19	- 20	- 12	- 12	- 8
Net profit	68	64	43	39	25
Balance sheet					
Shareholders' equity	330	366	302	305	305
Long-term liabilities	233	309	280	180	211
Current liabilities to credit institutions	143	156	117	131	94
Tangible fixed assets	459	591	539	459	476
Cash flow					
Net profit and depreciation	113	121	88	85	73
Capital investments	- 92	- 170	- 110	- 119	- 48
Operating capital ²	- 42	- 25	- 15	- 5	8
Net operating cash flow	96	86	72	74	49
Data per Share (€)					
Net profit (EPS)	4.71	4.04	2.75	2.53	1.61
Shareholders' equity	22.77	23.25	19.38	19.93	19.91
Dividend	1.63	1.36	1.13 ³	0.91	0.68
Highest share price ⁴	41.66	40.84	35.40	24.37	25.64
Lowest share price ⁴	23.23	30.27	22.10	17.15	20.01
Number of ordinary Shares x 1,000	14,488 ⁵	15,736	15,579	15,321	15,315
Other data					
Employees	2,830	3,018	3,111	2,582	3,466
Return on Shareholders' equity ⁶	19.6%	19.0%	14.1%	12.7%	8.3%
Return on invested capital ⁷	13.4%	12.8%	11.2%	10.8%	7.6%

1 Figures adjusted for comparison purposes.

2 Operating capital: current assets minus current liabilities.

3 € 0.45 in Van Ommeren Shares charged to the share premium reserve.

4 Source: Bloomberg

5 Calculated on the basis of shares outstanding at the end of 1998 after deduction of own Van Ommeren Shares repurchased and still to be cancelled.

6 Return on Shareholders' equity: net result divided by average shareholders' equity.

7 Return on invested capital : operating result divided by average capital invested.

Developments in 1998

In 1998, Van Ommeren achieved a net result of € 68 million, with which a profit increase of € 4 million was realised, corresponding to more than 7% in comparison with 1997 (€ 64 million).

The net result for 1998 includes extraordinary results of € 6 million from the profit on the sale of the 25% interest in Hvide Van Ommeren after deduction of reorganisation and merger costs. Profits on ships sold contributed € 3 million to the net result (1997: € 8 million). Turnover for 1998 decreased by € 55 million (13.8%) in relation to 1997. Net turnover for 1997 included € 68 million from deep sea tanker shipping, dry cargo shipping and other activities deconsolidated in 1998 and end 1997. After said adjustments, the turnover increases by an amount of € 13 million. This increase is due to a tank storage turnover increase of € 22 million, an increase of over 11%. On the other hand, there is a lower inland shipping turnover, especially in gas transport. The breakdown of turnover by activity is as follows:

<i>(x € million)</i>	1998	1997
tank storage	223	201
tanker shipping	76	127
transport services	45	71
Total net turnover	344	399

The increased performance in tank storage has led to an improvement in the return on invested capital to 13.4%; an increase of 0.6 percentage points compared to 1997.

Return on invested capital

	1998	1997
tank storage	16.6%	12.7%
tanker shipping	8.2%	12.8%
transport services	16.4%	25.0%
Total	13.4%	12.8%

Interest paid amounted to € 16 million, a decrease of 24%. The average interest rate during 1998 was 6.4%, equal to the rate prevailing in 1997. The drop in the total interest paid was the result of a reduction of the net debt position in relation to 1997. Extraordinary profit in 1998 amounted to € 6 million, versus € 12 million in 1997. Net profit at the disposal of Van Ommeren shareholders rose from € 64 million in 1997 to € 68 million. Earnings per share rose by more than 16% from € 4.04 in 1997 to € 4.71 per share (earnings per share in 1998 were calculated on the basis of outstanding shares at the end of 1998 after deduction of shares purchased by Van Ommeren and not yet cancelled).

Semi annual figures 1999

In the first half of 1999, Van Ommeren achieved a profit on ordinary activities after taxation of € 31 million, a decrease of 13% (1998: € 35 million). Proceeds from the sale of vessels were not included in this result for 1999 whereas, in the result for the first half of 1998, an amount of € 3 million is attributable to the sale of vessels. In tank storage, the favourable developments continued, with results increasing by 6%. In tanker shipping, as was expected, profits declined. Market circumstances, particularly in deep sea tanker shipping, continued to remain poor. As a result, Brovo suffered from lower volumes and pressure on rates. Van Ommeren's net profit amounted to € 26 million (1998: € 40 million, including extraordinary profit of € 9 million); this amounted to € 1.79 per share of NLG 10 nominal value (1998: € 2.50). The interim dividend was fixed, unchanged, at NLG 0.50 per share and paid out on 1 September 1999.

Major developments after 30 June 1999

Van Ommeren recently announced that its joint venture, Van Ommeren Shipping, in which it has an interest of 49% (the remainder being held by venture capital company NeSBIC) will combine the dry cargo activities with those of the Clipper Group. In the new combination, Van Ommeren, NeSBIC and the Clipper Group will each own 33 1/3% of the share capital of said company, contrary to the press release published on 19 July 1999.

On 19 August, Van Ommeren announced that agreement had been reached with New Orleans-based International Tank Terminals, Ltd., Van Ommeren's partner in IMTT in the United States, concerning the sale of Van Ommeren's 50% interest in IMTT. The transaction is expected to be effective as at 1 January 2000. The agreement concerns the sale of Van Ommeren's interest in all terminals, comprising a total capacity of 5 million m³ for the storage of mineral oil products and chemicals in the United States and Canada. As a result of this transaction, Van Ommeren expects to realise an extraordinary profit of € 16.5 million.

On the same day, Van Ommeren announced that its Latin American operations will further expand into Brazil: agreement has been reached with the shareholders of Dibal, a Brazilian family-owned company, on the transfer of the 100% interest in the terminals in Santos and the 50% interest in the terminal in Paranagua. The total capacity of both terminals is approximately 140,000 m³, devoted to the storage of vegetable oils and chemicals. The

consideration for this share transaction amounts to USD 30 million. This acquisition, which was completed on 9 September 1999, will immediately contribute positively to the net result for 1999.

4.4 OTHER DATA

Shares and stock exchange listing

14,499,719 Van Ommeren Shares are currently issued and paid up. Van Ommeren Shares are officially listed on the stock exchanges of Amsterdam, Frankfurt and Hamburg. Options on Van Ommeren Shares are traded on the AEX Stock Exchange.

Shareholders

In connection with the Dutch Major Holdings Disclosure Act, the following holdings of interests, in excess of 5% in the total share capital of Van Ommeren were disclosed:

	Voting right	Capital interest in Shares	Capital interest in depositary receipts of Shares
Commercial Union Assurance Plc			10.01% ¹
ING Groep NV			7.48% ²
Stolt-Nielsen SA			5.08% ³
Hal Holding NV			10.37% ⁴
Stichting Administratiekantoor Koninklijke Van Ommeren	99.77%	99.77%	

1) Disclosed on 30 December 1998

2) Disclosed on 25 February 1992

3) Disclosed on 12 March 1999

4) Disclosed on 14 September 1999

Issue of depositary receipts

The Van Ommeren Shares are administered by Stichting Administratiekantoor Koninklijke Van Ommeren, which issues (limited) convertible bearer depositary receipts of these shares.

Share price performance

The following table gives an overview of the highest and lowest share prices for Van Ommeren Shares, as obtained from Bloomberg.

(x € per Share of NLG 10 nominal value)

	1996		1997		1998		1999	
	High	Low	High	Low	High	Low	High	Low
January	23.51	22.10	36.53	34.49	33.13	30.09	27.50	25.80
February	23.78	22.14	38.89	36.21	37.35	30.77	27.05	24.85
March	25.96	24.37	38.71	35.62	41.66	38.07	27.50	26.45
April	29.04	25.87	36.94	33.58	40.98	39.25	30.00	26.70
May	28.98	27.68	36.08	34.03	39.52	37.89	29.40	26.05
June	30.49	28.91	37.03	34.03	41.61	38.57	29.80	27.75
July	30.77	28.27	39.62	35.17	39.80	35.67	37.10	29.20
August	29.72	28.36	40.84	37.17	35.40	31.04	33.40	32.20
September	30.40	29.27	38.03	36.71	30.00	25.68	35.05	31.85
October	32.04	30.49	39.57	30.90	27.59	24.50		
November	34.03	31.90	31.77	30.27	28.13	25.05		
December	35.40	33.40	31.77	30.27	26.55	23.23		

Dividend policy

Van Ommeren's policy is to declare a dividend of approximately 35% of the net profit on ordinary activities.

Option scheme

Since 1990, option rights have been granted to members of the Executive Board and a number of senior executive staff, in total 50 people. The 1994 to 1997 option plans concern newly issued shares of NLG 10 nominal value at an exercise price determined when granted. Furthermore, in 1998, option rights were granted to members of the Executive Board and to approximately ninety senior staff. The depositary receipts of shares under the 1998 plan were repurchased by Van Ommeren in 1998 at an average price of € 34.26 per depositary receipt. The members of the Supervisory Board have no option rights.

Option rights	Number of shares	Exercise price In euros ¹	Amount exercised and/or expired as at 31/12/98	Number of outstanding options as at 31/12/98
1994	174,000	23.23	164,000	10,000
1995	150,000	18.92	132,500	17,500
1996	390,000	28.95	51,500	338,500
1997	15,000	37.21	–	15,000
1998	300,000	26.55	–	300,000
Total	1,029,000		348,000	681,000

As at 31 December 1998, members of the Executive Board and Supervisory Board held 1,000 and 101,316 depositary receipts of ordinary shares respectively. As at the same date, members of the Executive Board had the following option rights:

Granted in	Granted in	number of depositary receipts	exercise price in euros ²
1995		5,000	18.92
1996		120,000	28.95
1998		45,000	26.55

Legal procedures

The management of Van Ommeren is of the opinion that no legal procedures are in process or expected to be initiated, of which the outcome may have a material impact on the operational activities, financial position, operating results or assets and liabilities of Van Ommeren.

4.5 FINANCIAL INFORMATION VAN OMMEREN

The financial information included here is derived from the annual accounts for 1998, 1997 and 1996. These annual accounts form an integral part of this Merger Document (see section 5 'Other Data' for availability).

Consolidated profit and loss account as at 31 December (x NLG 1,000)	1998	1997	1996
Net turnover	757,089	878,243	755,679
Other operating income	8,941	10,998	12,267
Operating income	766,030	889,241	767,946
Wages, salaries and social security costs	278,490	311,633	281,526
Depreciation of tangible fixed assets	97,802	127,497	98,955
Other operating expenses	234,276	312,484	278,599
Operating expenses	610,568	751,614	659,080
Results on participating interests	81,829	89,019	58,294
Operating result	237,291	226,646	167,160
Interest	– 35,554	– 47,252	– 29,979
Result on ordinary activities before taxation	201,737	179,394	137,181
Taxation	– 42,105	– 43,230	– 27,027
Result on ordinary activities after taxation	159,632	136,164	110,154
Extraordinary result after taxation	12,191	25,825	–
Third party interests in results of consolidated group companies	– 21,520	– 21,926	– 15,802
Net profit	150,303	140,063	94,352

Consolidated balance sheet as at 31 December, after proposed profit appropriation (x NLG 1,000)			
	1998	1997	1996
Tangible fixed assets	1,011,061	1,301,269	1,188,235
Financial fixed assets	623,409	598,877	450,046
Fixed assets	<u>1,634,470</u>	<u>1,900,146</u>	<u>1,638,281</u>
Inventories	6,415	13,375	8,885
Accounts receivable	224,678	365,348	295,439
Cash at bank and in hand	349,852	303,597	275,151
Prepayments and accrued income	14,590	18,669	17,438
Current assets	<u>595,535</u>	<u>700,989</u>	<u>596,913</u>
Final dividend	44,913	39,341	31,159
Amounts owed to credit institutions	315,100	344,588	256,882
Trade creditors and other liabilities	326,949	371,346	341,779
Current liabilities	<u>686,962</u>	<u>755,275</u>	<u>629,820</u>
Net current assets after deduction of current liabilities	<u>- 91,427</u>	<u>- 54,286</u>	<u>- 32,907</u>
Total assets less current liabilities	<u><u>1,543,043</u></u>	<u><u>1,845,860</u></u>	<u><u>1,605,374</u></u>
Financed as follows:			
Long-term liabilities	514,444	680,547	617,823
Provisions	211,658	231,683	212,805
Equalisation account	4,424	46,911	37,978
Third party interest in equity of consolidated group companies	85,558	80,416	71,428
Shareholders' equity	726,959	806,303	665,340
Risk capital	<u>816,941</u>	<u>933,630</u>	<u>774,746</u>
Total	<u><u>1,543,043</u></u>	<u><u>1,845,860</u></u>	<u><u>1,605,374</u></u>

Consolidated cash flow statement as at 31 December (x NLG 1,000)			
	1998	1997	1996
Net profit	150,303	140,063	94,352
Depreciation	97,802	127,497	98,955
	<u>248,105</u>	<u>267,560</u>	<u>193,307</u>
Profit on disposal of fixed assets	– 8,941	– 10,998	– 12,267
Profit on disposal of group companies and non-consolidated participating interests	– 33,929	– 25,825	–
Equalisations	– 360	– 5,302	– 4,106
Share of net profit from non-consolidated participating interests minus dividends received	– 41,430	– 54,418	– 35,428
Movements in reserves	22,731	11,241	11,861
Movements in third party interests	8,504	21,926	10,569
	<u>194,680</u>	<u>204,184</u>	<u>163,936</u>
Cash flow from operations			
Movements in working capital (excluding cash at bank and in hand, short-term liabilities and dividend)	16,646	– 14,451	– 5,762
	<u>211,326</u>	<u>189,733</u>	<u>158,174</u>
Net cash flow from operations			
Investments			
Tangible fixed assets	– 173,524	– 249,512	– 148,714
Acquisition of group companies and financial fixed assets, including goodwill	– 30,139	– 136,019	– 199,517
	<u>– 203,663</u>	<u>– 385,531</u>	<u>– 348,231</u>
Total investments			
Divestments			
Tangible fixed assets	15,415	24,483	21,148
Advance payments on tangible fixed assets	–	36,575	56,059
Group companies	368,867	– 177	–
Financial fixed assets	4,200	45,956	88,061
	<u>388,482</u>	<u>106,837</u>	<u>165,268</u>
Total divestments			
Net cash flow from investments	184,819	– 278,694	– 182,963
Financing			
Repayments of long-term liabilities	– 262,034	– 126,703	– 40,439
New long-term liabilities	145,294	157,176	170,230
Net proceeds from share issues	1,543	2,516	11,852
Sale of depositary receipts of Shares	–	26,537	–
Repurchase of depositary receipts of Shares	– 119,006	–	– 20,540
Net movements in short-term liabilities	– 20,953	99,750	– 42,903
Additions to equalisation account	–	– 4,830	–
	<u>– 255,156</u>	<u>154,446</u>	<u>78,200</u>
Dividend	– 47,212	– 41,744	– 30,589
Net cash flow	93,777	23,741	22,822
Exchange and translation differences	– 10,815	919	2,881
Movement in cash at bank and in hand owing to consolidations and deconsolidations	– 36,707	3,786	7,851
Movement in cash at bank and in hand	46,255	28,446	33,554

4.6 AUDITORS' REPORT

In our opinion, the consolidated financial information for the years 1998, 1997 and 1996, as set out on pages 54 up to and including 56 of this Merger Document, corresponds in all material respects with the annual accounts from which it has been derived.

Unqualified auditors' reports were issued on these annual accounts on 19 February 1999, 2 March 1998 and 26 February 1997 respectively. These auditors' reports have been included in the annual accounts on which they were issued, which form an integral part of this Merger Document.

Rotterdam, 11 October 1999

Ernst & Young Accountants

5. OTHER DATA

Available documents

The annual reports 1996, 1997 and 1998 (including annual accounts) and the semi-annual figures for 1999 of Van Ommeren and Pakhoed are available upon request at the head offices of Van Ommeren and Pakhoed. The abovementioned annual accounts form an integral part of this Merger Document. These documents are also available at ABN AMRO, Afdeling Effectenloket, AF 0554, Herengracht 595, 1017 CE Amsterdam, the Netherlands and ING Barings, Afdeling Corporate Finance, TR03.01, Foppingadreef 7, 1102 BD Amsterdam, the Netherlands.

Exchange agent and paying agent

In the Netherlands, ABN AMRO has been designated as the exchange agent with regard to the Merger and as paying agent with regard to dividends to be paid on Vopak Shares.

Fiscal consequences of the Merger in the Netherlands

On 17 June 1998, a regulation dealing with the fiscal consequences of a statutory merger as described in article 2:309 C.C. was introduced. The law applies to statutory mergers completed after 23 June 1998 and therefore to the Merger. An outline of this legal regulation can be summarised as follows:

- the fiscal laws of the Netherlands define the Merger as a transfer by Van Ommeren and Pakhoed of all their assets to Vopak and a discontinuation of their business. In principle, any capital gain realised at the time of the transfer and discontinuation of business is subject to corporation tax;
- with regard to the Van Ommeren and Pakhoed Shareholders, the Merger is seen as a disposal of their respective shares (shares also to include claims, options on shares, profit entitlement, etc.). Depending on the fiscal position of the Shareholder, such a disposal may result in taxation of the Shareholder; and
- as to the capital tax, in principle an exemption applies.

The Merger does not constitute a taxable event as meant in the Dutch Dividend Withholding Tax Act (the dividend tax claim has been safeguarded by lowering the tax base at the level of Vopak).

The fiscal laws of the Netherlands permit Pakhoed and Van Ommeren, as the legal entities which are ceasing to exist, and Vopak, as the acquiring legal entity, to complete a merger without adverse Dutch fiscal consequences. The law provides for passing-on facilities for the legal entities involved in the Merger and their Shareholders to avoid taxation of those legal entities and Shareholders:

- based on the passing-on facility, available to the legal entities involved, the transfer of assets and liabilities from Van Ommeren and Pakhoed to Vopak is exempt from corporation tax and Vopak acquires the fiscal book values of the assets and liabilities of Van Ommeren and Pakhoed; and
- when applying the passing-on facility, the Shareholders do not have to account for the benefit of the disposal pursuant to the Merger. In such case, the fiscal claim is being passed on to the Vopak Shares as acquired pursuant to the Merger.

The Dutch inspector of corporation tax has agreed with the application of the above-mentioned passing-on facility to any fiscal claims arising from the Merger.

When settling the fractions that can arise upon conversion of Van Ommeren shares into Vopak Shares, any remaining partial claims will be settled by means of payment in cash. This settlement may involve a distribution of retained earnings or a dividend. In principle, shareholders will be liable for taxes on this cash settlement.

When settling the fractions that can arise upon conversion of depositary receipts of Van Ommeren shares into Vopak Shares, any remaining partial claims will be settled by means of payment in cash. This cash settlement is not made by the legal entities involved in the Merger and, therefore, does not represent a distribution of retained earnings or a dividend. Holders of depositary receipts of Van Ommeren shares who are subject to taxes on capital gains may, however, be liable for taxes on this cash settlement.

In specific situations, the fiscal consequences for a Shareholder may differ from the above. In such a case, it is advisable to consult one's own tax adviser. The fiscal regulation entered into force on 17 June 1998 only applies to Dutch taxation. Shareholders subject to non-Dutch taxation are advised to check the fiscal consequences of the Merger according to the non-Dutch tax regulations applicable to them.

In view of the specific tax position that applies to holders of Pakhoed Financing Preference Shares, they should seek tax advice regarding the tax consequences of the Merger separately.

Dividend and taxation

For those Shareholders, who are natural persons residing in the Netherlands, in general the rule applies that dividends distributed on Vopak Shares form part of income from capital and are thus subject to income tax (a withholding of 25% dividend tax must also be made). An exemption applies to dividends received by a taxpayer, to the extent the dividend does not exceed the amount of NLG 1,000 (NLG 2,000 for married couples). Dividends distributed as Shares from the fiscally recognised share premium reserves are not subject to income tax. In specific situations, the consequences for a Shareholder may differ from the above. In such case, it is advisable to consult one's own tax adviser.

Costs of Merger

The costs related to the Merger are expected to amount to approximately € 8 million.

Guarantees/loans granted

At Van Ommeren, (interest free) advances issued to members of the Executive Board aggregate to NLG 395,000. Van Ommeren did not grant any guarantees to members of the Executive Board or members of the Supervisory Board. Pakhoed has not granted any guarantees or loans to the members of the Executive Board or the members of the Supervisory Board.

Rules for preventing misuse of inside information

Vopak will take the usual measures to comply with the regulations for the prevention of misuse of inside information, applicable in the Netherlands.

Choice of domicile

For the purpose of this Merger Document, the address of Vopak is also the address of its members of the Executive Board and the members of the Supervisory Board. The Executive Board and the Supervisory Board of Van Ommeren and Pakhoed are domiciled at their respective head offices.

6. ARTICLES OF ASSOCIATION ROYAL VOPAK NV

Name. Registered office.

Article 1.

The company bears the name: Royal Vopak NV, and has its registered office in Rotterdam.

Objectives.

Article 2.

The objectives of the company are the participation in, the financing and management of other companies, of any nature whatsoever, the providing of services and the operating of sites, buildings and installations, both at its own expense and at the expense of or with third parties and the carrying out of all activities that are connected with the above or could be beneficial thereto or are desirable or necessary for the performance thereof, all in the broadest sense, including guaranteeing the debts of others.

Capital.

Article 3.

- 3.1. The authorised capital of the company is two hundred and forty million euro (€ 240,000,000), divided into:
- eighty million (80,000,000) ordinary shares, each with a nominal value of one euro (€ 1);
 - one hundred and twenty million (120,000,000) cumulative preference shares, each with a nominal value of one euro (€ 1);
 - forty million (40,000,000) cumulative Financing Preference Shares, each with a nominal value of one euro (€ 1), divided into sixteen million (16,000,000) Series 1 shares, nine million four hundred thousand (9,400,000) Series 2 shares and ten series numbered from 3 to 12 each of one million four hundred and sixty thousand (1,460,000) shares .
- 3.2. Where these Articles of Association mention shares and Shareholders, such include the ordinary shares, the cumulative Financing Preference Shares and the cumulative preference shares, the holders of ordinary shares, the holders of cumulative Financing Preference Shares and the holders of cumulative preference shares, unless the contrary is expressly stipulated. The cumulative preference shares will hereinafter be referred to as preference shares. The cumulative Financing Preference Shares will hereinafter be referred to as Financing Preference Shares. The series into which Financing Preference Shares have been sub-divided are to be deemed separate types of shares for the provisions of these Articles of Association.
- 3.3. Upon issue of a particular series of Financing Preference Shares for which no shares have previously been issued, the body authorised to make the issue can resolve to issue more shares of that particular series than the number of the series in question included in the authorised capital, whereby the maximum number of shares of the series in question that can be issued will be equal to the total number of Financing Preference Shares included in the authorised capital of the series which have not yet been issued.
- 3.4. If, following an issue, more Financing Preference Shares of a particular series are issued than the number into which the authorised capital is divided, the number of financing shares of the issued series included in the authorised capital will be increased by the number of shares by which the number of issued shares of that series exceeded the number of shares set out in the authorised capital for that series at the time of issue, while this number will also be deducted from the number of shares of the Financing Preference Shares set out in the authorised capital which have not been issued. Such reduction will be pro rata to the number of shares of that series set out in the authorised capital at the time of the issue in question, subject to the provisions of the last sentence of this paragraph.
- If, upon issue, fewer Financing Preference Shares of a particular series are issued than are set out in the authorised capital, the number of Financing Preference Shares of the series issued set out in the authorised capital will be reduced to the number of shares of that series which have been issued and the number of Financing Preference Shares of each series set out in the authorised capital for which no shares have yet been issued will be increased by the number by which the series of issued shares has been reduced. Such reduction will be pro rata to the number of shares of that series set out in the authorised capital at the time of the issue in question, subject to the provisions of the last sentence of this paragraph.

Following an issue of Financing Preference Shares of a particular series, such a number of shares must be issued that the above-mentioned increase or reduction in the number of Financing Preference Shares of the other series in the authorised capital, for which shares had not yet been issued, must entail that the number of Financing Preference Shares of each series included in the authorised capital, for which shares have not yet been issued, is the same in absolute numbers.

Issue of shares.

Article 4.

- 4.1. The General Meeting of Shareholders – hereinafter called the General Meeting – or the Executive Board, if so designated by the General Meeting, will resolve to issue shares; a resolution to issue shares can only be passed with the approval of the Supervisory Board. As long as the Executive Board is designated as authorised to resolve to issue shares, the General Meeting cannot pass resolutions in this respect.
- 4.2. The General Meeting, or the Executive Board, whichever the case may be, will determine the price, subject to the approval of the Supervisory Board – which subject to the provisions in Article 2:80, Paragraph 2 of the Dutch Civil Code may not be below par – and the further conditions of issue, subject to any other relevant provisions in these Articles of Association.
- 4.3. With regard to a resolution of the General Meeting to issue or to designate the Executive Board, as set out above, in addition to the approval of the Supervisory Board, such resolution also requires a prior or simultaneous approving resolution of every group of holders of shares of the same class whose rights will be affected by the issue.

The preceding paragraphs apply mutatis mutandis to the granting of rights to take shares, but do not apply to the issue of shares to any person who is exercising a previously acquired right to take shares.

- 4.4. If and insofar as the Executive Board is designated as having authority to issue shares, they will not make any decision to issue preference shares that will result in the number of shares issued to third parties amounting to more than one hundred percent of the minimum amount of the other shares issued before such issue, in the event that shares amounting to more than seventy percent of the issued share capital with the concurrence of the company are transferred for the purpose of administration to an administrative agent, unless a statement as described in article 10A, paragraph 8, is issued. The Executive Board can only grant the right to take preference shares, whereby the authorised party can acquire more than one hundred percent of the total nominal amount of the shares issued before such issue in the form of preference shares, if the condition is placed on that granting that this right to the aforementioned percentage of one hundred can be exercised unconditionally and that in the event that as a result of the exercising of this right the aforementioned percentage of one hundred is exceeded, this is only possible in the event that the percentage of remaining shares at the time of the exercising of the right to administrate is transferred with the concurrence of the company to a administrative agent amounts to less than seventy, unless the statement as described in article 10A, paragraph 8, has been issued, in which case the condition as described above can be treated as lapsed.
- 4.5. If and insofar as the Executive Board is designated as having authority to issue shares in the event of issue of preference shares, including the granting of a right to take preference shares, but not the issue of preference shares by virtue of the exercising of such option:
 - a. the Executive Board is obliged, within four weeks after such issue to convene a General Meeting in which the reasons for the issue will be explained, unless such explanation has been given in a General Meeting prior to the issue;
 - b. such issue requires the prior approval of the General Meeting for the case in question, if (i) as a result of such issue (ii) and/or as a result of the previous issue of preference shares by the Executive Board, without the aforementioned approval, so many preference shares can be taken and/or issued that the total nominal amount of preference shares issued by the Executive Board, without the aforementioned approval of the General Meeting, is more than one hundred percent of the total nominal amount of the other issued shares before such issue.

If preference shares are issued pursuant to a resolution to issue, or pursuant to a resolution to grant a right to take shares passed by the Executive Board without the prior approval of the General Meeting, the Executive Board is obliged to convene a General Meeting within two years after such issue and to make a proposal in such meeting regarding the redemption or cancellation of said issued preference shares. If, in said meeting no resolution is passed to redeem or cancel the preference shares, the Executive Board is obliged to convene a General Meeting every two years after the above-mentioned proposal has been made in order to make such a proposal again. Said obligation will no longer apply if the shares in question are no longer issued or are no longer held by a party other than the company.

Payment.

Article 5.

- 5.1. Ordinary shares and Financing Preference Shares will only be issued against full payment; preference shares can be issued against partial payment, on the understanding that the compulsory amount of the nominal price to be paid must be the same for each preference share, regardless of when it was issued, and that when taking the share, at least one-quarter of the nominal amount must be paid up.
- 5.2. Subject to the approval of the Supervisory Board, the Executive Board can resolve on which day and up to which amount further payment must be made with regard to preference shares which have not been fully paid up. The Executive Board will immediately notify the holders of preference shares of such resolution; there must be at least thirty days between the day of notice and the day on which payment is to be made.
- 5.3. Without the prior approval of the General Meeting, but subject to the approval of the Supervisory Board, the Executive Board is authorised to carry out legally binding transactions relating to consideration for shares other than in the form of money.

Preferential right.

Article 6.

- 6.1. Except in the event of restriction or exclusion of the preferential right as referred to in Article 2:96a, Paragraph 6 of the Dutch Civil Code, upon the issue of ordinary and Financing Preference Shares every holder of ordinary shares and every holder of Financing Preference Shares has a preferential right in relation to the shares to be issued proportional to the total amount of his ordinary shares and Financing Preference Shares. Holders of preference shares do not have any preferential right to ordinary shares to be issued. Holders of ordinary shares and holders of Financing Preference Shares do not have any preferential right to preference shares to be issued.
- 6.2. Upon the issue of ordinary shares or Financing Preference Shares, there is no preferential right with regard to shares which are issued for any consideration other than money.
- 6.3. Without prejudice to the provisions of Article 2:96a of the Dutch Civil Code, the General Meeting or the Executive Board, whichever the case may be, will determine, subject to the approval of the Supervisory Board, when passing the resolution to issue in what manner and within what time period the preferential right can be exercised.
- 6.4. The company will announce both the issue subject to preferential rights and the time period during which such rights can be exercised in the Staatscourant (Netherlands Government Gazette), in a national daily newspaper and in the Official Price List of Amsterdam Exchanges NV in Amsterdam. The preferential right can be exercised for a period of at least two weeks after the announcement in the Staatscourant has been made.
- 6.5. Restriction or exclusion of the preferential right will take place by virtue of a resolution of the General Meeting, unless the Executive Board is authorised to pass such resolution. The General Meeting can grant the Executive Board such authority for a fixed term of no more than five years. However, such designation is only permitted if the Executive Board has been or is designated at the same time as being the body authorised to issue shares. The designation can be extended for a maximum period of five years per extension. The designation will only be effective as long as the Executive Board is the body

authorised to issue shares. Unless otherwise stipulated upon designation, said authority cannot be revoked.

- 6.6. When granting rights to take ordinary shares, the holders of ordinary shares or Financing Preference Shares have a preferential right; the preceding provisions of this article apply *mutatis mutandis*. Shareholders do not have a preferential right to shares that are issued to a person who is exercising a previously acquired right to take shares.

Purchase of own shares/right of pledge over own shares.

Article 7.

- 7.1. a With the authorisation of the General Meeting and the Supervisory Board and without prejudice to the other provisions of Articles 2:98 and 2:98d of the Dutch Civil Code, the Executive Board can acquire paid up shares in its own capital for valuable consideration.
Such acquisition is only permitted if:
- (i) the equity of the company, decreased by the acquisition price of the shares to be acquired, is no less than the paid up and called up share of the capital, increased by the reserves which must be maintained by law;
 - (ii) the nominal amount of the shares to be acquired and of the shares in its own capital held by the company itself or over which it has a right of pledge or which are held by a subsidiary may not be more than one-tenth of the issued capital.
- With regard to the requirement referred to under (i), the size of the equity according to the most recently adopted balance sheet, decreased by the acquisition price for shares in the capital of the company and payments from profit or reserves to others, which the company or its subsidiaries owed to others after the balance sheet date, is decisive. If a financial year has passed for more than six months without the annual accounts having been adopted, acquisition in accordance with this paragraph is not permitted.
- b. The General Meeting must stipulate in the authorisation, which will be valid for a maximum of eighteen months, how many and what class of shares may be acquired, how they may be acquired and the limits within which the price must fall.
The authorisation referred to above in this paragraph is not required insofar as the company acquires own shares for transfer to employees of either the company or a legal entity with which the company is connected in a group, by virtue of a scheme to this effect.
- 7.2. The Executive Board can only pass resolutions to alienate shares in its own capital acquired by the company with the approval of the Supervisory Board.
Articles 4, 5 and 6 apply *mutatis mutandis* to such alienation, on the understanding that the alienation may also take place below par and the power to limit or exclude the preferential right is accorded to the Executive Board, subject to the approval of the Supervisory Board.
- 7.3. If depositary receipts of shares in the company are issued, such depositary receipts will be deemed the same as shares for the application of the provisions of the preceding paragraphs.
- 7.4. The company cannot derive a right to any payment for shares in its capital which it holds itself or for which it has the right of usufruct. Nor can the company derive a right to any payment for shares in its own capital if it holds the depositary receipts therefor or it is entitled to a right of usufruct for such depositary receipts.
Shares for which the company is not entitled to any payment pursuant to the preceding paragraph will not be counted when calculating the profit allocation.
- 7.5. No vote can be cast in the General Meeting for a share that belongs to the company or a subsidiary, nor for a share for which one of the foregoing holds a depositary receipt.
Usufructuaries and pledgees of shares which belong to the company or a subsidiary are not excluded from exercising their voting right, if the right of usufruct or pledge was granted before the share belonged to the company or a subsidiary. Neither the company nor any subsidiary can cast a vote for a share on which it has a right of usufruct or pledge.
When determining the extent to which the Shareholders votes are present or represented or the extent to which the share capital is supplied or represented, no

account will be taken of shares for which the law or the Articles of Association have determined that no vote may be cast thereon.

- 7.6. Subject to the other provisions of Article 2:89a, Paragraph 1 of the Dutch Civil Code, the company can only acquire a right of pledge over own shares and/or depositary receipts therefor insofar as the nominal amount of the own shares for which the right of pledge is to be granted or own shares and/or depositary receipts for which a right of pledge is already held is no more than one-tenth of the issued capital.

Reduction of capital.

Article 8.

Subject to the provisions of Article 2:99 of the Dutch Civil Code, the General Meeting can resolve to reduce the issued capital by cancelling shares or by reducing the amount of the shares by amendment of the Articles of Association. Such resolution must designate the shares to which the resolution relates and the implementation of the resolution must be set out therein.

Cancellation upon repayment of shares or partial repayment on shares or dispensation from the obligation to pay as referred to in Article 2:99 of the Dutch Civil Code can also exclusively take place with regard to ordinary shares or exclusively with regard to preference shares or exclusively with regard to all respective series of Financing Preference Shares.

A partial repayment or dispensation must take place proportionally for all shares involved. Deviation from the proportionality requirement is permitted with the agreement of all Shareholders involved.

In the event of cancellation with repayment of all respective series of Financing Preference Shares, with regard to the relevant shares of a series:

- a. the amount paid up on the shares in question will be paid back including an amount equal to the amount paid up on or allocated to said shares as share premium;
- b. a dividend will be paid in accordance with the provisions of Article 27, Paragraph 11.

Register of Shareholders/share certificates.

Article 9.

- 9.1. The Financing Preference Shares and the preference shares are registered shares. The preference shares are consecutively numbered from P1 onwards. Each series of Financing Preference Shares has a series specification and is consecutively numbered from 1 onwards.

At the discretion of the holder, ordinary shares will be either registered shares or bearer shares.

The Executive Board will determine the numbering and other specifications of the ordinary shares.

- 9.2. No share certificates will be issued for registered shares.
- 9.3. The Executive Board will maintain a register setting out the names and addresses of all holders of registered shares, stating the amount paid up on each share and any other data required by law. The register will also record the amount paid up as premium on Financing Preference Shares. The register will also set out the names and addresses of those persons who have a right of usufruct or pledge over registered shares, stating whether they are entitled to the rights attached to the shares in accordance with Paragraphs 2, 3 and 4 of Articles 2:88 and 2:89 of the Dutch Civil Code and if so, which rights.
- 9.4. The register will be regularly updated; a notation will be made of every release from liability for non paid-up shares. Every notation in the register will be signed by a member of the Executive Board or by a person so authorised by the Board in writing.

- 9.5. Upon request, the Executive Board will give the holder of a registered share and a registered usufructuary or pledgee an excerpt from the register relating to his entitlement to a registered share free of charge.

If a share is subject to a right of usufruct or pledge, the excerpt will state who is entitled to the rights set out in Paragraphs 2, 3 and 4 of Articles 2:88 and 2:89 of the Dutch Civil Code.

- 9.6. The Executive Board will make the register available at the office of the company for inspection by the Shareholders as well as the usufructuaries and pledgees who are entitled to the rights referred to in Paragraph 4 of Articles 2:88 and 2:89 of the Dutch Civil Code.

The preceding sentence does not apply to the part of the register that is maintained outside the Netherlands in order to comply with legislation or stock exchange regulations in such other country.

The information contained in the register regarding non paid-up preference shares may be inspected by any person; a copy of excerpt of said information will be made available for no more than cost price.

- 9.7. Every holder of a registered share and every person who has a right of usufruct or pledge over registered shares is obliged to inform the Executive Board of his address.
- 9.8. All notices and announcements to Shareholders or those persons who have a right of usufruct or pledge over shares and who can enforce those rights in accordance with Paragraphs 2 to 4 inclusive of Articles 2:88 and 2:89 of the Dutch Civil Code, will be given or made by means of an advertisement which will be placed in at least one nationally distributed daily newspaper, as well in the Official Price Listing of the public limited liability company: Amsterdam Exchanges NV, as well as – if applicable – in such manner as is required in connection with the listing of shares in the company on one or more other stock exchanges, unless these Articles of Association stipulate otherwise.
- 9.9. Unless the law stipulates otherwise, the transfer of registered shares or the transfer of a qualified right thereto requires a deed executed for that purpose and, except in the event that the company is itself a party to the legally binding transaction, written acknowledgement by the company of the transfer. The acknowledgement will be laid down in the deed or in a dated statement acknowledging the deed or on a copy or excerpt thereof certified by the alienating party or a notary. Acknowledgement is equal to service of the deed or such copy or excerpt on the company.
If the transfer relates to non paid-up shares, acknowledgement can only take place if the deed bears a fixed date.
- 9.10. The provisions of Paragraph 9 apply mutatis mutandis to the granting and waiving of a qualified right to registered shares.

Definitions and share certificate for ordinary bearer shares.

Article 10.

- 10.1. The following terms will have the following meaning in this article and elsewhere in these Articles of Association unless the contrary is expressly stipulated:
- Affiliated Institution : an institution that has been admitted as an affiliated institution pursuant to the Securities Book-Entry Transfer Act (Wet giraal effectenverkeer) and that can maintain a collective deposit as referred to in said Act;
- Participant : a participant in the collective deposit as referred to in the Securities Book-Entry Transfer Act;
- Necigef : the central institution referred to in the Securities Book-Entry Transfer Act. On the date this deed was executed, the designated central institution is: Nederlands Centraal Instituut voor Giraal Effectenverkeer BV
- 10.2. All ordinary bearer shares will be embodied in one share certificate.
- 10.3. When subscribing to ordinary shares to be issued and when ordinary shares are allotted, the person who is entitled to an ordinary share from the company will acquire a right relating to a bearer ordinary share in the manner set out hereafter.
- 10.4. The company will see to it that the share certificate referred to in Paragraph 2 will be held by Necigef on behalf of the entitled party or parties.
- 10.5. The company will grant an entitled party a right with regard to an ordinary share by (a) Necigef allowing the company to register a share on the share certificate and (b) the entitled party designating an Affiliated Institution that will credit him as a Participant in its collective deposit.
- 10.6. Without prejudice to the provisions of Article 20, Paragraph 4, the management of the share certificate will be irrevocably transferred to Necigef and Necigef will be irrevocably authorised on behalf of the entitled party or parties to do all that is necessary with regard to the shares in question, including acceptance, transfer and concurrence in registration and de-registration of the share certificate.
- 10.7. If a Participant of the Affiliated Institution wants delivery of one or more bearer ordinary shares up to a maximum of the amount for which he is credited as a

Participant, (a) Necigef will transfer the shares to the entitled party by deed, (b) the company will acknowledge the transfer, (c) Necigef will allow the company to remove (or have removed) the shares from the share certificate, (d) the Affiliated Institution in question will debit the entitled party as a Participant in its collective deposit and (e) the company will register the holder of a registered share in the Register of Shareholders.

The company may not charge a Shareholder who has his shares or bearer shares registered pursuant to the provisions of this paragraph or Paragraph 8 more than the cost price of such action.

- 10.8. A holder of a registered ordinary share can at all times turn this into a bearer share, which can only take place by (a) the entitled party transferring this share to Necigef by deed, (b) the company acknowledging the transfer, (c) Necigef allowing the company to register (or have registered) a share on the share certificate, (d) an Affiliated Institution designated by the entitled party crediting the entitled party as a Participant in its collective deposit and (e) the company de-registering the entitled party as a holder of the share in question from the Register of Shareholders.
- 10.9. The share certificate must be personally signed by a member of the Executive Board.
- 10.10. If the share certificate is lost or damaged, the Executive Board can issue a duplicate certificate subject to such conditions as the Executive Board deems appropriate. After issue of this document, which will bear the word duplicate, the original document will have no value with regard to the company.

Acquisition of Financing Preference Shares.

Article 10A

10A.1. Transfer of Financing Preference Shares can only be made to natural persons.

10A.2 Without prejudice to that which is set out in the first paragraph of this article, the transfer of Financing Preference Shares is not possible if and insofar as the receiver alone, or on the grounds of a mutual agreement to cooperate with one or more other parties, natural persons and/or legal entities, directly or – other than as the holder of certificates issued with the concurrence of the company – indirectly:

- A. is the holder of a nominal amount of Financing Preference Shares of one percent or more of the total capital of the company issued in the form of ordinary shares and Financing Preference Shares; or
- B. due to such transfer, will acquire more than one percent of the total capital issued in the form of ordinary shares and Financing Preference Shares in Financing Preference Shares.

For the purpose of the application of the previous sentence, the holding of shares and the acquisition of shares is also given to mean a right of usufruct or right of pledge, or the acquisition of a right of usufruct or right of pledge on shares, as long as the usufructuary or pledgee is entitled to the voting right.

For the application of this article 10A shares acquired by the company are deemed as issued, regardless of whether they have been cancelled or not.

10A.3. Acquisition of Financing Preference Shares by means of an issue – whether or not in the form of stock dividend and/or bonus shares – is deemed the same as transfer for the application of that which is set out in the first and second paragraphs of this article; furthermore, for the determination of the volume of the capital issued in the form of ordinary and Financing Preference Shares, the Financing Preference Shares to be issued are included in the calculation.

The above equalisation does not apply in the event that preferential right as described in article 6, paragraph 1 is exercised with regard to such issue.

10A.4. Contrary to that which is set out in paragraph 3, first sentence, of this article, it is permitted for a Shareholder who holds more Financing Preference Shares than one percent of the capital issued in the form of ordinary shares and Financing Preference Shares, to acquire more Financing Preference Shares than one percent of the total capital issued after that issue in the form of ordinary shares and Financing Preference Shares, by means of the issue of Financing Preference Shares, such amount, however not exceeding the percentage referred to in the next sentence based on the amount by which the capital issued in the form of Financing Preference Shares is increased by the issue. The percentage referred to in the previous sentence is equal to the percentage of capital issued in the form of ordinary shares and Financing Preference Shares that such Shareholder held in Financing Preference Shares before the issue.

10A.5. In the event that a legal entity acquires Financing Preference Shares in the capital of the company as a result of transmission other than transfer, he is obliged to immediately dispose of those shares. As long as such disposal has not taken place, the Shareholder who is obliged to make such disposal cannot exercise any meeting or voting rights on those Shares the rights granted to him to dividend of those Shares is suspended.

10A.6. In the event that a Shareholder-legal entity who, on the grounds of that which is set out in paragraph 5 of this article is obliged to make disposals, – hereinafter referred to as ‘the offering party’ – does not fulfil his obligation within three months from being reminded by the Executive Board of his obligation by registered letter, the company is irrevocably authorised and, in the event that the offering party so requests, obliged to proceed with making this disposal against a price at least equal to the current price for disposals on the stock exchange of Amsterdam Exchanges NV in Amsterdam for certificates for Financing Preference Shares in the company and, in the absence of such a price, against a price to be determined by the accountant, as referred to article 26. Disposal to the company is only permitted with the consent of the offering party.

In the event that the offering party continues to fail to cooperate in delivering the Shares disposed of within fourteen days after the Executive Board has informed him by registered letter of the aforementioned disposal, the company is irrevocably authorised to sign the deed of delivery on his behalf.

The company will ensure that the offering party immediately receives the sale price of the Shares disposed of.

10A.7. The aforementioned in this article is not applicable to:

- a. transfer or other transmission of Financing Preference Shares to the company itself or to a subsidiary of the company;
- b. transfer or other transmission or issue of Financing Preference Shares to an administration agency with a legal personality or to another legal entity, if and insofar as, with regard to such administration agency or such other legal entity, the Executive Board, with the approval of the Supervisory Board, has cancelled, entirely or partially, such transfer, other transmission or issue of Financing Preference Shares referred to in this article by irrevocable resolution, whereby conditions can be attached to such cancellation; with regard to the other legal entity, as referred to here above, that limitation can only be cancelled, insofar as such is required to avail that legal entity of the facility of the substantial holding exemption, currently laid down in article 13 of the Dutch Corporation Tax Act (Wet op de Vennootschapsbelasting) 1969;
- c. transfer by the company of Financing Preference Shares acquired by the company itself or issue by the company of Financing Preference Shares, in the event that such transfer or issue takes place in connection with either a joint venture with or a take-over of another company, or a statutory merger, or acquisition of a subsidiary or the expansion of such, with regard to which the Boards of Directors, on the approval of the Supervisory Board has cancelled the limitation of the facility to transfer or issue Shares entirely or partially, by irrevocable resolution, whereby conditions can be attached to such a cancellation.

10A.8. That which is set out here above in paragraphs 1 to 7 inclusive will not and will continue not to apply (i) in the event that the Financing Preference Shares issued constitute more than seventy percent of the capital issued and these Shares have been transferred with the concurrence of the company to an administration agency for the purpose of administration, (ii) in the event that and as soon as the Executive Board, without approval of the General Meeting, has resolved to issue preference Shares – not being an issue pursuant to the exercising of a right as described in article 4, paragraph 6, point b – as a result of which the nominal amount of the capital issued in the form of Preference Shares will amount to more than half of the capital issued in the form of ordinary shares and Financing Preference Shares before that issue and (iii) the Executive Board has filed the resolution to issue and a statement declaring that that which is set out in article 10A, paragraphs 1 to 7 inclusive is no longer applicable, at the office of the trade register of the place where the company is registered.

The company will announce this filing in a nationally distributed daily newspaper.

Pre-emption paragraph – preference shares.

Article 11.

- 11.1. The approval of the Executive Board is required for every transfer of preference shares. The approval will be requested in writing, whereby the name and address of the intended acquiring party, and the price or other consideration which the intended acquiring party is willing to pay or provide, must also be stated.
- 11.2. If the approval is refused, the Executive Board is obliged at the time of refusal to designate one or more candidates who are willing and able to purchase all the shares to which the request relates for cash payment at a price to be determined by the alienating party and the Executive Board, within two months after such designation.
- 11.3. If the alienating party has not received written notice from the company within three months after receipt by the company of the request for approval of the intended transfer or a timely refusal of approval is not simultaneously accompanied by the designation of one or more candidates as referred to in Paragraph 2, the approval of the transfer will be deemed to have been granted after expiry of the aforementioned period or after receipt of the notice of refusal.
- 11.4. If, within two months after the refusal of the approval, no agreement has been reached between the alienating party and the Executive Board regarding the price referred to in Paragraph 2, such price will be determined by an expert to be appointed by the alienating party and the Executive Board in mutual consultation or, if agreement cannot be reached in this respect within three months after the refusal of the approval, by the President of the Chamber of Commerce and Factories of the place where the company has its registered office under these Articles of Association, at the request of either party.
- 11.5. The alienating party need not proceed with the transfer, provided he informs the Executive Board of this in writing within one month from having been informed of the name of the designated candidate(s) and the price.
- 11.6. In the event of approval of the transfer as set out in Paragraph 1 or Paragraph 3, the alienating party is entitled, during a period of three months after this approval, to transfer all shares to which his request relates to the acquiring party referred to in the request, for the price or consideration referred to in Paragraph 1 of this article.
- 11.7. The company's costs relating to the transfer can be charged to the new owner.

Executive Board.

Article 12.

- 12.1. The company will be managed, under the supervision of a Supervisory Board, by a Executive Board consisting of one or more members, to be determined by the Supervisory Board after consultation with the Executive Board.
- 12.2. If the Executive Board consists of two or more members, the Supervisory Board can grant one of them the title of chairman and one of them the title of vice-chairman. The chairman will preside over meetings of the Board.
- 12.3. The Executive Board will establish regulations, subject to these Articles of Association, regulating matters relating to the Board. Furthermore, the members of the Executive Board, by establishing regulations or otherwise, can divide their work amongst themselves. Such division of tasks requires the approval of the Supervisory Board.
- 12.4. The Executive Board will pass resolutions by an absolute majority of votes. In the event a tie of tied, provided there are more than two members of the Executive Board in office, the person who has been granted the title of chairman pursuant to the provisions of Paragraph 2 will have the decisive vote.
- 12.5. The Executive Board is authorised to appoint one or more holders of power of attorney, if desired, with such title as the Executive Board deems appropriate. The Executive Board can revoke such power of attorney at all times.
- 12.6. If so authorised by the General Meeting, the Executive Board can only pass a resolution to limit or exclude the preferential right referred to in Article 6 with the approval of the Supervisory Board.
- 12.7. The members of the Executive Board are appointed by the Supervisory Board. The Supervisory Board will inform the General Meeting of an intended appointment of a member of the Executive Board of the company.
- 12.8. The Supervisory Board can suspend or dismiss a member of the Executive Board at all times, on the understanding that it will not dismiss a member of the

Executive Board after the intended dismissal has been dealt with by the General Meeting.

In the event of suspension of a member of the Executive Board, if the Supervisory Board does not either extend the suspension, which extension may only be completed one time for a maximum of two months, or – subject to the preceding sentence – dismiss the director within three months after the resolution to suspend, the director in question will return to his function.

- 12.9. In the event of absence of one or more members of the Executive Board, the remaining members of the Executive Board or the sole remaining member of the Executive Board is charged with the entire management. In the event of absence of all members of the Executive Board or the sole member of the Executive Board, the Supervisory Board will be temporarily charged with the management, without prejudice to its power to appoint someone as temporary manager, provided such person is appointed from among its members, and subject to the obligation to fill the vacancies as soon as possible in the event of long-term absence.
- 12.10. A member of the Executive Board will retire at the time of the close of the Annual General Meeting of Shareholders following his sixty-second birthday. If the circumstances give rise to such, the Supervisory Board can agree with a member of the Executive Board that he will retire at the time of the closing of the Annual General Meeting of Shareholders following his sixty-third or sixty-fourth birthday. Any person older than sixty-two years of age cannot be appointed as a member of the Executive Board.

Article 13.

The Supervisory Board will determine the salary, any bonus and the further employment conditions of the members of the Executive Board.

Representation.

Article 14.

The Executive Board and every member of the Executive Board is separately authorised to represent the company.

Supervisory Board.

Article 15.

- 15.1. The supervision of the management of the Executive Board and of the general course of affairs in the company and the business affiliated with it will be exercised by a Supervisory Board, consisting of natural persons; the Supervisory Board will determine the number of supervisory directors, of whom there must be at least three.
- 15.2. The Supervisory Board will appoint a chairman from amongst its members. The Supervisory Board will appoint a secretary from amongst its members or otherwise.
- 15.3. Furthermore, Article 2:142, Paragraph 3; Article 2:158, Paragraphs 2 to 11 inclusive and Paragraph 13 and Articles 2:159; 2:160; 2:161, Paragraphs 2 and 3 and Article 2:164 of the Dutch Civil Code apply with regard to the company. Lack of the approval of the Supervisory Board, as referred to in Article 2:164, Paragraph 1 of the Dutch Civil Code cannot be invoked as a defence by or against third parties.
- 15.4. A reservation as referred to at the end of Article 2:122 of the Dutch Civil Code is made with regard to the rights granted to persons other than Shareholders in this article.
- 15.5. A supervisory director will retire at the time of the close of the General Meeting of Shareholders following the day four years after his last appointment; without prejudice to the provisions of the following sentence, such supervisory director can be re-appointed. Furthermore, a supervisory director will retire at the time of closing of the Annual General Meeting of Shareholders following his seventieth birthday. Any person of seventy years or older cannot be appointed as a supervisory director. With regard to an acting chairman of the Supervisory Board, after consultation with the Executive Board the Supervisory Board can determine by irrevocable resolution, passed by a majority of the votes cast by the other members of the Supervisory Board, if exceptional circumstances give rise to such, that the age limit referred to in this paragraph be set at seventy-one or seventy-two.
- 15.6. The General Meeting will determine the fixed remuneration of the members of the Supervisory Board. They will be reimbursed for any costs they incur.

- 15.7. The Supervisory Board can appoint a supervisory director as delegated supervisory director from among its members. The special task of the delegated supervisory director is to assist and advise the Executive Board in its daily management.

Article 16.

- 16.1. The Supervisory Board can determine that one or more of its members will have access to all business premises of the company and will be authorised to inspect all books, correspondence and other documents, to inspect the cash and other legal tender and to take note of all transactions which have taken place or will be authorised to exercise some of these powers.
- 16.2. The Supervisory Board will meet as often as one of its members requests such. It will pass resolutions by an absolute majority of votes. No resolution will be passed if the votes are tied.
- 16.3. The meetings of the Supervisory Board will be convened by or on behalf of the chairman of said Board, setting out the topics to be discussed. The chairman will prepare the agenda for the meeting.
- 16.4. The meetings of the Supervisory Board will be chaired by the chairman or, in his absence, by another supervisory director appointed by the Supervisory Board. In the event of absence of the secretary, the meeting will appoint its secretary.
- 16.5. Minutes will be taken of the matters dealt with in the meetings of the Supervisory Board, which Minutes will be signed by the chairman and the secretary of the meeting in question.
- 16.6. Subject to the provisions of Paragraph 7, the Supervisory Board cannot pass resolutions if a majority of the members is not present.
- 16.7. The Supervisory Board can also pass resolutions outside meetings, provided such resolutions are passed in writing, by telegraph, by telex or by telefax and the resolution in question has been submitted to all supervisory directors and provided none of them has objected to this manner of decision making and if at least all supervisory directors except one have voted in favour of the resolution in question. A resolution passed in this manner will be signed in the register of Minutes of the Supervisory Board, which will be maintained by the secretary of the said Board; the documents which evidence the passing of such resolution will be kept in the register of Minutes.
- 16.8. The meetings of the Supervisory Board will be attended by the members of the Executive Board, unless the Supervisory Board decides otherwise.
- 16.9. The Supervisory Board can obtain the advice of experts, at the expense of the company, in such areas as the Supervisory Board deems desirable for the proper performance of its task.
- 16.10. The other (internal) working method of the Supervisory Board will be regularly set out in regulations and will, if necessary, be reviewed by the Supervisory Board.

General Meetings of Shareholders.

Article 17.

- 17.1. The General Meetings of Shareholders will be held in Amsterdam, The Hague or Rotterdam and will be announced by the Executive Board or the Supervisory Board no later than on the fifteenth day before the day of the meeting in the manner set out in Article 9, Paragraph 8 of these Articles of Association. Shareholders will be given notice of the General Meeting by the Executive Board or the Supervisory Board.
- 17.2. Resolutions of Shareholders can be placed on the agenda for evaluation by the Executive Board and the chairman of the Supervisory Board if they have been submitted to the Executive Board or the chairman of the Supervisory Board at least thirty days before the day of the meeting, not counting the day of notice and the day of the meeting.

Article 18.

The notice will set out the topics to be discussed, unless the agenda is made available for inspection by Shareholders at the office of the company and in such places – including in any event a location in Amsterdam – as are set out in the notice and this fact is set out in the notice. The Shareholders can obtain a copy of said agenda free of charge. The fact that a resolution to amend the Articles of Association or to dissolve the company or the fact that a resolution to reduce the capital will be proposed will have to be stated in the notice itself.

No valid resolutions can be passed with regard to topics for which the requirements of the preceding sentence have not been met and the discussion of which has not been announced in the appropriate manner and subject to the time period stipulated for notice.

Article 19.

19.1. The annual General Meeting of Shareholders will be held before 1 July.

19.2. In this meeting:

- a. the Executive Board will submit a written report regarding the affairs of the company and the management;
- b. the annual accounts adopted by the Supervisory Board will be submitted to the General Meeting of Shareholders for approval and, subject to Article 27 of these Articles of Association, the profit allocation will be determined;
- c. the proposals to release the members of the Executive Board from liability for their management and the Supervisory Board for their supervision will be dealt with;
- d. any vacancies will be filled;
- e. those topics that the Executive Board and/or the Supervisory Board have placed on the agenda will be discussed, subject to the provisions of these Articles of Association.

The topics referred to under a, b and c need not be discussed if the term for drawing up the annual accounts is extended.

19.3. Extraordinary General Meetings will be held as often as such meetings are convened pursuant to a resolution of the Executive Board or the Supervisory Board.

Article 20.

20.1. The General Meetings of Shareholders will be chaired by the chairman of the Supervisory Board, unless the Supervisory Board appoints another person as chairman.

The chairman will appoint the secretary.

20.2. Before being allowed into a meeting, a Shareholder or his proxy must sign an attendance list, stating his name and the number of votes which he has at the meeting and, if the attendant is a proxy, the name (names) of the person(s) whom he is representing.

20.3. A holder of registered shares and a person who has a right of usufruct or pledge over shares and who can enforce rights in accordance with Paragraph 4 of Articles 2:88 and 2:89 of the Dutch Civil Code, or his proxy, is only allowed to attend the meeting if he or the person whom he is representing is registered as such in the Register of Shareholders and the company has received written notice of his intention to attend the meeting at the location and no later than on the day set out in Paragraph 4.

20.4. With regard to the voting right and/or meeting right of holders of bearer ordinary shares, the company will deem as Shareholder the person mentioned in a written statement by an Affiliated Institution declaring that the number of bearer ordinary shares referred to in the statement belongs to its collective deposit and that the person mentioned in the statement is a Participant in its collective deposit for the said ordinary shares and will remain a Participant until after the meeting, provided the statement in question has been deposited in time at the office of the company or at some other location determined by the Executive Board.

The provisions of the preceding sentence apply mutatis mutandis to a person who has a right of usufruct or pledge over one or more ordinary bearer shares and who can enforce those rights in accordance with Paragraph 4 of Articles 2:88 and 2:89 of the Dutch Civil Code.

The notice convening the meeting will set out the place where the statement by the Affiliated Institution is to be deposited and the day on which, at latest, notice must be given to the Executive Board or the deposit of the statement by the Affiliated Institution is to take place, which day cannot be earlier than the seventh day before the day of the meeting.

20.5. The notice for a General Meeting of Shareholders will always set out the provisions referred to in Paragraphs 3 and 4 above.

20.6. Only one person may be appointed as the proxy for one share.

20.7. A proxy can only act as such for a maximum of three Shareholders, unless each of the proxies granted to him meet the following requirements:

- the proxy has only been granted for one meeting;

- the proxy must contain a specific instruction from the Shareholder relating to the manner in which the voting right is to be exercised with regard to each of the topics on the agenda;
- the proxy, which must evidence that the above requirements have been met, is in the possession of the company at latest on the day referred to in Paragraph 3, first sentence.

For the application of this provision, the following are deemed one Shareholder and/or holder of a depositary receipt:

- legal entities and companies connected with each other in a group;
- natural persons who are related to each other, by blood or marriage, up to the tenth remove;

the foregoing is to be demonstrated to the satisfaction of the chairman of the meeting.

- 20.8. Those persons who are admitted to the General Meeting must present identification if so requested.
- 20.9. If one or more shares are jointly held, the joint owners may only be represented before the company by one person designated by the joint owners in writing. The provisions of the preceding sentence do not apply to shares that belong to a joint holding as referred to in the Securities Book-Entry Transfer Act. The person so designated is only allowed to attend the General Meeting if the written designation or a certified copy thereof is in the possession of the company at latest on the day referred to in Paragraph 3. This person is a proxy with regard to the application of Paragraphs 2, 3 and 4.

Article 21.

- 21.1. Minutes will be taken of the matters dealt with in each meeting, unless a notarised report is made.
Adopting of the Minutes will be evidenced by the signatures of the chairman and the secretary.
The report or the Minutes will set out the number of shares represented at the meeting and the number of votes to be cast, based on the attendance list referred to in Article 20, Paragraph 2. The attendance list referred to in Article 20, Paragraph 2 does not form part of the report or the Minutes and will not be made available to a Shareholder unless the Shareholder demonstrates that he has a reasonable interest in such list in order to check whether the meeting in question was conducted properly.
After execution of the notarised deed or adoption by the chairman and the secretary of the meeting in question, a copy of the report or the Minutes will be available for inspection by the Shareholders at the office of the company.
- 21.2. The chairman of the meeting, the chairman of the Supervisory Board and the chairman of the Executive Board can, in the event of exceptional circumstances, instruct a notarised report to be drawn up at the expense of the company.
- 21.3. All issues relating to admission to the General Meeting of Shareholders, the exercising of the voting right and the result of the votes, and all other issues connected with the course of affairs in the meeting will be decided, at the highest instance, by the chairman of the meeting in question.
- 21.4. The chairman of the meeting in question is authorised to allow persons other than Shareholders and their representatives to attend the General Meeting of Shareholders.

Article 22.

- 22.1. The resolutions of the General Meeting of Shareholders will be passed by an absolute majority of the validly cast votes, unless these Articles of Association or the law prescribes a greater majority.
- 22.2. Every share that is represented at a meeting gives the right to cast one vote.
- 22.3. Blank votes and invalid votes will be deemed votes not cast.

Article 23.

- 23.1. Votes will cast orally or, in the event of a party entitled to vote in a vote on appointment, dismissal or recommendation of persons desires such, by secret ballot. Voting in another manner, for example by acclamation, is permitted if none of the parties entitled to vote objects to such.

- 23.2. If, with regard to the appointment of persons, no absolute majority is achieved in the first vote, a second free vote will be held. If again no absolute majority is obtained, there will be a new vote between the two persons who jointly received the most votes.
If, due to an equality of the number of votes obtained, more than two persons are eligible for such new vote, an interim vote will be held to determine which two persons will participate in the new vote, or which person will participate in the new vote with the person who obtained the highest number of votes.
If the votes in an interim vote, as referred to in the preceding sentence, or in a final vote are tied, the matter will be decided by the drawing of lots.
- 23.3. If a resolution relates to business – which in this respect also includes proposals to dismiss or recommend persons – no resolution will be passed if the votes are tied.

Meetings of holders of Financing Preference Shares of a specific series and meetings of holders of preference shares.

Article 24.

- 24.1. A meeting of holders of preference shares or of a particular series of Financing Preference Shares will be convened as often as the Executive Board and/or the Supervisory Board decide(s) and as often as a resolution of that meeting is required under the Articles of Association.
The meetings of holders of preference shares or of a particular series of Financing Preference Shares will be held in Amsterdam, Rotterdam or The Hague.
- 24.2. The notices for the meeting of holders of preference shares and the meeting of holders of Financing Preference Shares will be given in writing at the addresses referred to in Article 9, Paragraph 3, subject to a notice period of at least fourteen days, not counting the day of notice and the day of the meeting.
The notice will set out the topics to be discussed.
The meeting will be chaired by the chairman of the Supervisory Board, unless he or, in his absence, the Supervisory Board, appoints another chairman.
The chairman will appoint the secretary.
- 24.3. Article 20, Paragraphs 2 and 3, Article 21, Article 22 and Article 23, Paragraph 1 will apply mutatis mutandis.
- 24.4. In a meeting in which the entire issued capital of preference shares or the entire issued capital of a particular series of Financing Preference Shares is represented, valid resolutions can be passed even if the rules relating to the place of the meeting, the method of notice, the term of notice and the topics to be set out in the notice have not been complied with, provided such resolutions are passed by unanimous vote.
- 24.5. Holders of preference shares or of Financing Preference Shares of a particular series can pass all resolutions which they can pass in a meeting, outside a meeting. Resolutions can only be passed outside meetings if the request for such procedure has been made by a member of the Executive Board or Supervisory Directors and all holders of preference shares or Financing Preference Shares of a particular series vote in favour of the resolution in question in writing. The chairman of the Supervisory Board will note the resolution in the register of Minutes of the meeting of holders of preference shares or Financing Preference Shares of a particular series. The chairman will sign such note and read out the note at the next meeting of holders of preference shares or Financing Preference Shares of a particular series; in addition, the documents evidencing the resolution will be kept in the register of Minutes.

Financial year. Annual accounts.

Article 25.

- 25.1. The financial year is the calendar year.
- 25.2. Annually, within five months after the end of every financial year – subject to extension of this term by the General Meeting by a maximum of six months on the grounds of exceptional circumstances – the Executive Board will draw up the annual accounts, which will be submitted to the Supervisory Board for adoption.
After adoption by the Supervisory Board, the annual accounts will be submitted to the General Meeting for approval and simultaneously to the relevant Works Council for discussion.
The annual accounts will be accompanied by the report referred to in Article 19, Paragraph 2 a, by the auditor's report referred to in Article 26 and by the information

referred to in Article 2:392, Paragraph 1 of the Dutch Civil Code. However, with regard to the latter information only insofar as the provisions referred to apply to the company.

The annual accounts will be signed by all members of the Executive Board and all Supervisory Directors. If the signature of any of the foregoing is lacking, this fact will be stated, along with the reason therefor.

- 25.3. The company will ensure that the annual accounts, the annual report and the other information referred to in Paragraph 2 are available for inspection at the office of the company and such other places designated by the Executive Board, including in any event a location in Amsterdam, as of the day of notice until the day of the General Meeting in which said documents will be dealt with.
- The Shareholders can inspect the documents at the office of the company and obtain a copy thereof free of charge.
- The documents referred to in this paragraph will be made available for inspection by anyone; any person can obtain a copy of these documents for no more than cost price.

Auditor.

Article 26.

- 26.1. The General Meeting will instruct a registered auditor or another expert as referred to in Article 2:393, Paragraph 1 of the Dutch Civil Code, both hereinafter referred to as 'the auditor', to audit the annual accounts drawn up by the Executive Board in accordance with the provisions of Article 2:393, Paragraph 3 of the Dutch Civil Code. The auditor will report his findings to the Supervisory Board and the Executive Board and will set out the results of his audit in an auditor's report.
- The General Meeting can revoke the auditor's instruction at any time.
- 26.2. Both the Executive Board and the Supervisory Board can instruct the auditor referred to in Paragraph 1 or another auditor at the expense of the company.

Profit and loss.

Article 27.

- 27.1. Of the profit obtained in any financial year, first of all, as far as possible, the following will be paid out on the preference shares: the percentage of the compulsory amount paid up on said shares, as of commencement of the financial year for which the payment is made.
- The above-mentioned percentage is equal to the average EURIBOR percentages to be fixed by the European Central Bank for short-term loans with a term of twelve months – weighted to the number of days to which these percentages apply – during the financial year for which the payment is made, increased by an increment of no more than four hundred base points, to be adopted by the Executive Board and approved by the Supervisory Board upon issue; by EURIBOR we mean Euro Interbank Offered Rate.
- If, in the financial year for which the above-mentioned payment takes place the amount that must compulsorily be paid up on the preference shares has been reduced or, pursuant to a resolution for further payment, has been increased, the payment will be reduced or, if possible, increased by an amount equal to the above-mentioned percentage of the amount of the reduction or increase respectively, calculated as of the time of the decrease or the time when additional payment became compulsory. If, in the course of any financial year, there has been an issue of preference shares, then for that financial year the dividend on the preference shares will be reduced pro rata to the day of issue, whereby part of a month will be deemed a whole month.
- If and insofar as the profit is not sufficient to make the payment referred to above in this paragraph in full, the deficit will be charged to the reserves, with the exception of the reserve that was formed as share premium reserve upon the issue or has been allocated upon the allotting of Financing Preference Shares.
- 27.2. In the event of cancellation of preference shares, with repayment, on the day of repayment a payment will be made on the cancelled preference shares, which payment will be calculated as far as possible in accordance with the provisions of Paragraph 1 and Paragraph 3 of this article, calculated over the period as of the day for which a payment as referred to in Paragraph 1 and Paragraph 3 was last made – or, if the preference shares were issued after such day: as of the day of issue – until

the day of repayment. The foregoing is without prejudice to the provisions of Article 2:105, Paragraph 4 of the Dutch Civil Code.

- 27.3. If, in any financial year, the profit referred to in Paragraph 1 is not sufficient to make the payments referred to above in this article and furthermore no payment is made or only a partial payment is made from the reserves referred to in Paragraph 1 in such way that the deficit is not paid out or is not paid out in full, then in the following financial years the preceding provisions of this article and the provisions of Paragraph 4 and Paragraph 7 will first apply after the deficit has been made up.
- 27.4. a. Then, if possible, a dividend will be paid out on each financing preference share of a particular series, which is equal to a percentage calculated over the nominal amount, increased by the share premium amount that was paid up on or allocated to the financing preference share issued or allocated for the series in question and which percentage:
1. has been set at five point nine six percent (5.96%) for the Financing Preference Shares of Series 1 issued and/or allotted in Nineteen Hundred and Ninety-Nine;
 2. for the Financing Preference Shares of series 2 issued and/or allotted in Nineteen Hundred and Ninety-Nine, is fixed at the percentage that will be equal to the percentage that is paid out on the Financing Preference Shares, series 2, in the capital of Royal Pakhoed NV acquired by the company, which percentage is thus fixed by the Executive Board at the time of the issue of the Financing Preference Shares, series 2, and/or which percentage at the time of allotting of these Financing Preference Shares in connection with the statutory merger of the company with Royal Pakhoed NV and Royal Van Ommeren NV will be equal to the percentage that is fixed for the Financing Preference Shares, series 2, in the capital of Royal Pakhoed NV issued in connection with a public issue;
 3. for both Financing Preference Shares that are issued within eight years after previous Financing Preference Shares have been issued or allotted and Financing Preference Shares that are issued after the dividend percentage of the previously issued or allotted Financing Preference Shares has been adjusted in accordance with the provisions of 'c' of this paragraph, is related to the average effective return on government bonds with a term that corresponds as closely as possible with the period to be calculated as of the time of the issue of the Financing Preference Shares in question until the time of the next adjustment of the percentage of the dividend, as referred to below under 'c', of the Financing Preference Shares referred to under a.1 and a.2 above – hereinafter referred to as 'the remaining term' – or, if the remaining term covers full years and there are two terms of government bonds that could apply, the average effective return on government bonds with the shorter of the two terms, calculated and determined in the manner referred to under 'b' below.
- b. The calculation of the percentage of the dividend for the Financing Preference Shares of a particular series, as referred to under 'a' point 3, will be made by taking the mathematical average of the average effective return of the above-mentioned government bonds referred to under 'a' point 3, as determined by the Central Bureau for Statistics and published in the Official Price List of the public limited liability company: Amsterdam Exchanges NV over the last twenty stock exchange days preceding the day on which Financing Preference Shares of that series are issued, possibly increased by a maximum of two hundred base points, depending on the prevailing market conditions, at the discretion of the Executive Board, subject to the approval of the Supervisory Board, which supplement can differ per series of Financing Preference Shares. If the effective return on the government bonds referred to under 'a' point 3 and 'b' has not been determined by the Central Bureau for Statistics or is not published in the aforementioned Official Price List at the time of the calculation of the dividend percentage, the government bonds referred to above under 'b' and 'a' point 3 will mean the government bonds in the name of the State of the Netherlands in guilders with a term that is aligned as closely as possible with the relevant term applicable under 'a' .point 3, the effective return of which has been determined by the Central Bureau for Statistics and has been published

- as referred to under 'b' above at the time of the calculation of the dividend percentage.
- c. With regard to the Financing Preference Shares of Series 1 and those of series 2, for the first time as of 1 January Two Thousand and Five and every eight years thereafter and with regard to the other series of Financing Preference Shares that will be issued on or after (date of Merger), as of 1 January following eight years after the date of issue and every eight years thereafter, the dividend percentage of all relevant Financing Preference Shares series, regardless of whether they have been issued or allotted, will be adjusted to the average effective return on 'general government bonds with a term of 7-8 years' applicable at such time, calculated and determined in accordance with the method set out under 'b', on the understanding, however, that the aforementioned average is calculated over the last twenty stock exchange days preceding the day as of which the dividend percentage is adjusted, possibly increased by a maximum of two hundred base points, depending on the market conditions at such time, at the discretion of the Executive Board, subject to the approval of the Supervisory Board, whereby the number of base points can differ per series of Financing Preference Shares.
- 27.5. If, in any financial year, the profit is not sufficient to make the payments referred to in Paragraph 4 of this article, the provisions of Paragraph 4 and Paragraph 7 will first be applied in the following financial years after the deficit has been made up and after the provisions of Paragraphs 1 and 3 have been applied. The Executive Board is authorised, subject to the approval of the Supervisory Board, to resolve to pay out an amount equal to the deficit referred to in the preceding sentence and to charge such deficit to the reserves, with the exception of the reserves that have been formed as share premium reserve upon the issue of Financing Preference Shares or have been allocated upon the allotting of such Financing Preference Shares. When applying the provisions of this paragraph the holders of the series of Financing Preference Shares will be treated equally.
- 27.6. If issue or allotting of Financing Preference Shares takes place during the course of a financial year, the dividend for the Financing Preference Shares in question for that financial year will be reduced pro rata to the first day of issue, on the understanding that a) the Financing Preference Shares of Series 1 issued and/or allotted in Nineteen Hundred and Ninety-Nine will receive a dividend for that calendar year and b) the Financing Preference Shares of Series 2 issued and/or allotted in Nineteen Hundred and Ninety-Nine will receive a dividend calculated from the date upon which Royal Pakhoed NV issued Financing Preference Shares series 2 in its capital, namely (date) 1999.
- 27.7. Such amounts of the profit remaining after the application of the preceding paragraphs will be reserved as the Executive Board determines, subject to the approval of the Supervisory Board.
Insofar as such profit is not reserved with the application of the preceding sentence, it is at the free disposal of the General Meeting, on the understanding that no further dividends will be paid out on the preference shares and the Financing Preference Shares.
- 27.8. Dividends are made payable within four weeks of the date of being determined, unless the General Meeting appoints some other date therefor at the proposal of the Executive Board.
- 27.9. Subject to the provisions of Article 2:105 of the Dutch Civil Code and by the approval of the Supervisory Board, the Executive Board can pay an interim dividend, if and insofar as the profit permits such. It is possible to pay out only interim dividends on a particular class or series of shares.
- 27.10. Following a proposal of the Supervisory Board, the General Meeting can resolve to pay out dividends or reserves, in whole or in part, instead of in money, in the form of shares in the capital of the company or in the form of shares in the capital of companies in which the company has a participation.
- 27.11. In the event of cancellation with repayment of a series of Financing Preference Shares, in addition to repayment of the paid up amount (including an amount equal to the amount that has been paid up on or allocated to those shares as share premium) a payment will be made on the cancelled Financing Preference Shares of the series in question, which payment will be calculated as far as possible in accordance with the provisions of Paragraph 4 and Paragraph 5 of this article, to be

calculated over the period as of the day on which a payment as referred to in Paragraph 4 and Paragraph 5 of this article was last made – or if the Financing Preference Shares were issued after such day: as of the day of issue – until the day of repayment, without prejudice to the provisions of Article 2:105, Paragraph 4 of the Dutch Civil Code.

- 27.12. Without prejudice to the provisions of Article 8, the Executive Board can, subject to the approval of the Supervisory Board, after 4 December Two Thousand and Four and then every eight years thereafter, make a proposal to the General Meeting to cancel, upon repayment, as referred to in the preceding paragraph, all Financing Preference Shares of Series 1 and 2 as long as these have been cancelled in the meantime.
- The aforementioned also applies to Financing Preference Shares of the other series on the understanding that the proposal may thereafter be made every eight years after the date of issue.
- 27.13. The dividend or interim dividend will be announced in the manner referred to in Article 9, Paragraph 8.
- 27.14. A deficit as referred to in Article 2:104 of the Dutch Civil Code can only be charged to the share premium reserve of a particular series of Financing Preference Shares created upon issue or allotting of Financing Preference Shares, if all other reserves formed or allocated have been exhausted. When applying the provisions of this paragraph, the holders of Financing Preference Shares of the various series will be treated equally, whereby the amount paid up on the shares in question will be debited proportionally to the share premium reserve.
- 27.15. In the event that, in connection with the statutory merger between the company, Royal Pakhoed NV and Royal Van Ommeren NV, Financing Preference Shares series 1 and series 2 are allotted, the following amount will be allocated to those shares as premium:
- A. for all Financing Preference Shares series 1 mutually, an amount will be allocated as premium that is equal to the total amount of the premium that was paid up on all Financing Preference Shares series 1 issued by Royal Pakhoed NV at the time of the issue thereof, being an amount per Financing Preference Share series 1 of seven guilders and fifty cents (NLG 7.50), increased by an amount equal to the difference between the total nominal value of all Financing Preference Shares series 1 issued by Royal Pakhoed NV before the aforementioned Merger and the total nominal value of all Financing Preference Shares series 1 allotted by the company at the time of the aforementioned Merger, being for each Financing Preference Share series 1 the difference between five guilders (NLG 5) and the equivalent in guilders of one euro (€ 1). The holders of the Financing Preference Shares series 1 in the capital of the company allotted at the time of the aforementioned Merger are mutually entitled to the aforementioned amount that is allocated as premium pro rata to the Financing Preference Shares series 1 in the capital of the company held by them;
 - B. to all Financing Preference Shares series 2 mutually, an amount is allocated as premium that is equal to the total amount of the premium that was paid up on all Financing Preference Shares series 2 issued by Royal Pakhoed NV at the time of the issue thereof, being , per hundred Financing Preference Shares series 2 issued, an amount of two thousand four hundred and thirty seven guilders and fifty cents (NLG 2,437.50), decreased by an amount equal to the difference between the total nominal value (expressed in guilders) of all Financing Preference Shares series 2 in the capital of the company allotted by the company at the time of the aforementioned Merger and the total nominal value of all Financing Preference Shares series 2 issued by Royal Pakhoed NV before the aforementioned Merger. The holders of Financing Preference Shares series 2 in the capital of the company allotted at the time of the aforementioned Merger are mutually entitled to the aforementioned amount that is allocated as premium, pro rata to the Financing Preference Shares of series 2 in the capital of the company held by them.

Amendment of the Articles of Association/Dissolution.

Article 28.

- 28.1. The General Meeting can only resolve to amend the Articles of Association or dissolve the company following a proposal of the Executive Board and subject to the approval of the Supervisory Board.
Such a resolution requires a majority of at least two-thirds of the votes validly cast.
- 28.2. The notice convening the General Meeting of Shareholders in which a resolution to amend the Articles of Association is to be discussed must mention this fact and a copy of said resolution, setting out the proposed amendment verbatim, must be available at the office of the company as of the day of notice until the end of the meeting, as well as at a location in Amsterdam designated by the Executive Board, for inspection by the Shareholders, who may obtain a copy of such resolution free of charge.

Liquidation.

Article 29.

- 29.1. In the event of dissolution, the company will be liquidated in accordance with the statutory provisions.
- 29.2. The provisions of these Articles of Association will remain in force as far as possible during the liquidation.
- 29.3. The remainder of the capital of the company after payment of all debts and the costs of liquidation will be divided as follows:
 - a. first of all, as far as possible, to the holders of preference shares, the nominal amount paid up on their preference shares, increased by the amount withheld pursuant to Article 27 and increased by an amount equal to the percentage of the nominal amount referred to in Article 27, calculated over the period commencing on the first day of the most recently fully-expired financial year preceding the dissolution and terminating on the day of the payment on preference shares referred to in this article, on the understanding that all dividends that have been paid on the preference shares over this period will be deducted from the payment pursuant to this paragraph;
 - b. then, as far as possible, the holders of Financing Preference Shares of each series will be paid the nominal amount of their shares, increased by an amount equal to the share premium that has been paid or allocated to the financing preference share that was issued or allotted for the series in question and increased by an amount equal to the amount withheld from the Financing Preference Shares of the series in question pursuant to Article 27 and increased by an amount equal to the percentage applicable pursuant to Paragraph 4.a of Article 27 (as adjusted on the basis of the provisions of that article Paragraph 4.c) of the nominal amount after said amount has been increased by an amount equal to the share premium paid up on or allocated for the share in question upon issue or allotting, calculated over the period commencing on the first day of the last fully-expired financial year preceding the dissolution and terminating on the day of the payment on the Financing Preference Shares referred to in this article, on the understanding that all dividends that have been paid over this period on the Financing Preference Shares in question will be deducted from the payment pursuant to this paragraph.
If the remaining amount is not sufficient to make the payments referred to under this item b, such payments will be made to the holders of the Financing Preference Shares pro rata to the amounts which would have been paid out if the remainder had been sufficient for full payment. The aforementioned payment on Financing Preference Shares will take place in such a way that the same amount will be paid out on all Financing Preference Shares of a series;
 - c. the remaining amount will then be paid out to the holders of ordinary shares, in proportion to the number of ordinary shares that each such Shareholder possesses.
- 29.4 For seven years after the company has ceased to exist, the books and documents of the company will remain in the custody of the person so designated by the liquidators.

Interim condition.

Article 30.

Contrary to that which is set out here above in article 15, paragraph 5, insofar as it concerns the retirement and appointment of Supervisory Directors, Nathaniel Steward Rogers, residing at 4 Lindley Road, 98040 Mercer Island (WA), United States of America, born in Seattle, United States of America on 23 February Nineteen Hundred and Thirty, will retire at the latest at the time of closing of the General Meeting of Shareholders that is held in the year 2001.

If and insofar as the said Nathaniel Steward Rogers retires before the aforementioned time, he is immediately reappointable, without prejudice to that which is set out in the previous sentence.

7. ADVISERS

VAN OMMEREN

PAKHOED

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Royal Pakhoed NV



Royal Van Ommeren NV