

Building the 2016 present, creating the future



bam

Royal BAM Group nv



Agenda and Notes

to the Annual General Meeting
of 19 April 2017

Agenda

of the Annual General Meeting ('AGM'), to be convened on Wednesday 19 April 2017 at 3 p.m. in the Postilion Hotel, Kosterijland 8, 3981 AJ Bunnik.

1. Opening, notifications and announcements.
2. Accountability for the financial year 2016:
 - a. discussion of the Executive Board's report;
 - b. discussion of the Supervisory Board's report;
 - c. overview of the implementation of the remuneration policy;
 - d. discussion and adoption of the 2016 annual financial statements.
3. Adoption of the dividend.
4. Discharge of the members of the Executive Board for their management in the financial year 2016.
5. Discharge of the members of the Supervisory Board for their supervision of the management performed by the Executive Board in the financial year 2016.
6. Confirmation of the Executive Board's authorisation to:
 - a. issue respectively grant rights to acquire ordinary shares and cumulative preference shares F;
 - b. restrict or exclude preferential rights upon issuing respectively granting rights to acquire ordinary shares.
7. Authorisation for the Executive Board to have the Company acquire ordinary shares in the Company's capital (treasury shares).
8. Supervisory Board
 - a. Appointment of Mr G. Boon as a member of the Supervisory Board;
 - b. Appointment of Ms H. Valentin as a member of the Supervisory Board;
 - c. Remuneration of the Supervisory Board.
9. Questions and issues.
10. Closing the meeting.

The attendants will vote on the agenda items 2d through 8c during the meeting; the other issues are on the agenda for information and discussion purposes.

For this meeting, the persons entitled to attend the meeting and/or vote in connection with the shares are those who have the relevant rights and are registered as such in a register or sub-register designated by the Executive Board by Wednesday 22 March 2017 at 6 p.m. (the Registration Date and Time), after clearance of all credit and debit transactions. For holders of shares to bearer, the designated register or sub-register is the administrative systems of the intermediaries as set out in the Securities Giro Transactions Act as at the Registration Date and Time. The designated register for the holders of shares registered to name is the Company's shareholder register as at the Registration Date and Time.

Holders of shares to bearer and persons entitled to attend the meeting based on these shares and intend to attend the meeting, may register for attendance. Registration is possible from Thursday 23 March 2017 with ABN AMRO Bank N.V. (hereafter referred to as ABN AMRO), on +31 (0)20 344 20 00, via the intermediary where the relevant shares are administered. Alternatively, you can register at www.abnamro.com/evoting. Upon registration, the full address details of holders of shares to bearer and persons

entitled to attend the meeting must be submitted. This ensures that ABN AMRO is able to efficiently verify the shareholding at the Registration Date and Time. Also, upon registration, a confirmation from the intermediary involved must be submitted, stating the number of shares to be represented at the meeting, and confirming that the shareholder owned these shares at the Registration Date and Time. The registration and confirmation must be received by ABN AMRO latest by Wednesday 12 April 2017 at 5 p.m. Holders of shares to bearer and persons entitled to attend the meeting who have registered accordingly will be sent an entry ticket by email or by post. This entry ticket serves as proof that the person involved is entitled to attend the meeting. If holders of shares to bearer and persons entitled to attend the meeting based on these shares wish to be represented by a proxy holder, this written proxy must also be submitted upon registration.

Shareholders, proxies or other persons entitled to attend the meeting must be able to provide proof of identity upon arrival. In order to be admitted to the meeting, they must also show the afore-mentioned entry ticket.

Item 1

Opening, notifications and announcements.

Item 2

Accountability for the financial year 2016:

a. Discussion of the Executive Board's report.

Please refer to page 4 and onwards in the annual report.

b. Discussion of the report by the Supervisory Board.

Please refer to page 98 and onwards in the annual report.

c. Overview of the implementation of the remuneration policy.

A specification of the remuneration as referred to in Articles 2:383 c through 2:383 e of the Dutch Civil Code is included in the Notes to the balance sheet of the 2016 annual report to account for the implementation of the remuneration policy (page 104 and onwards).

d. Discussion and adoption of the 2016 annual financial statements.

Please refer to the 2016 annual financial statements. The 2016 annual financial statements are presented to the General Meeting for adoption.

Item 3

Adoption of the dividend.

BAM's policy is to pay out a dividend on ordinary shares amounting to 30 to 50 per cent of the annual result. When preparing the dividend proposal, the Company takes the balance sheet structure into consideration to support both the strategic agenda 'Building the present, creating the future' and the shareholders' interests.

In accordance with the Company's dividend policy, the proposal is to distribute the 2016 dividend of €0.09 to the holders of ordinary shares in the Company. The pay-out ratio amounts to 50 per cent. A €0.02 dividend per ordinary share was paid out on the financial year 2015. Based on the number of ordinary shares outstanding as at year-end 2016, a maximum of €24.3 million will be paid out as dividend on ordinary shares. The dividend yield on ordinary shares amounts to 2.1 per cent based on the dividend proposal and

the 2016 closing price. The remaining part of the profit will be transferred to the general reserves to support the strategic agenda. The ex dividend date is set on 21 April 2017, and the record date, after clearance of all credit and debit transactions of that date, is 24 April 2017.

This dividend will be paid out at the shareholders' choice, in cash, or, if cash was not the chosen option, in the form of ordinary shares in the Company's equity (the 'reverse optional dividend in shares'). The total number of ordinary shares to be distributed based on the reverse optional dividend in shares (apart from any rounding differences) will depend on the number of ordinary shares relating to which the holders decide against receiving a cash dividend.

The decision period for dividend in cash starts on 25 April 2017 and ends on 10 May 2017. The dividend will be paid out in shares, unless the shareholder explicitly requested to receive a cash dividend payment during the decision period. A decision of the General Meeting to distribute this dividend also involves the decision to issue a number of ordinary shares in order to pay out the required amount of dividend in shares, and, in addition, involves the decision to exclude the preferential right relating to such shares. The implementation of the decision will be delegated to the Executive Board.

The conversion ratio will be determined by the Executive Board on 10 May 2017 after the Stock Exchange closes, based on the volume-related weighted average of the share price of the last three trading days of the decision period for cash, i.e. 8, 9 and 10 May 2017. Both the cash dividend and the stock dividend will be made available to the holders of ordinary shares on 17 May 2017, after settlement of fractions in cash. The stock dividend value will be equal to that of the cash dividend (apart from any rounding differences). Such new ordinary shares are eligible for dividend payments on 2017 and subsequently financial years.

The cash dividend is paid from the net profit, deducting 15 per cent dividend tax. The stock dividend will be paid from the share premium reserve and is therefore exempt from withholding tax.

The shares issued as stock dividend are admissible for trade without a prospectus, such in accordance with Section 5:4 (e) of the Financial Supervision Act.

Item 4

Discharge of the members of the Executive Board for their management in the financial year 2016.

The General Meeting is requested to grant discharge to the members of the Executive Board. Discharge concerns only the management as apparent from the management report, the annual financial statements and the announcements during the General Meeting. The discharge is granted to persons who held the position of Executive Board member of the Company in the financial year 2016.

Item 5

Discharge of the members of the Supervisory Board for their supervision of the management performed by the Executive Board in the financial year 2016.

The General Meeting is requested to grant discharge to the members of the Supervisory Board. Discharge concerns only the supervision of the management as apparent from the management report, the annual financial statements and the announcements during the General Meeting. The discharge is granted to persons who held the position of Supervisory Board member of the Company in the financial year 2016.

Item 6

Confirmation of the Executive Board's authorisation to:

a. issue respectively grant rights to acquire ordinary shares and cumulative preference shares F;

The General Meeting is requested to designate the Executive Board for the duration of an 18-month period starting on 19 April 2017 as the body authorised to proceed with issuing of and/or granting rights to acquiring ordinary shares and/or cumulative preference shares F (as treasury shares) up to a maximum of 10 per cent, plus up to an additional 10 per cent of the number of ordinary shares and cumulative preference shares outstanding at the time of the General Meeting; such subject to the Supervisory Board's approval. This additional 10 per cent may be used only in the event of or in the context of mergers, acquisitions or strategic partnerships by the Company or the Company's operating companies.

The reason this authorisation is requested is not that the Company has a specific purpose in mind, but rather that this enables the Company to act quickly if an event so requires.

If the authorisation is granted, it will replace the authorisation granted by the General Meeting on 20 April 2016.

b. restrict or exclude preferential rights upon issuing respectively granting rights to acquire ordinary shares.

The General Meeting is requested to designate the Executive Board for the duration of an 18-month period starting on 19 April 2017 as the body authorised to exclude respectively restrict the preferential right upon issuing of and/or granting rights to acquiring ordinary shares, such subject to the Supervisory Board's approval.

The reason this authorisation is requested is, once again, not that the Company has a specific purpose in mind, but rather that this enables the Company to act quickly if an event so requires.

If the authorisation is granted, it will replace the authorisation granted by the General Meeting on 20 April 2016. This authorisation exclusively concerns the shares that may be issued by the Executive Board based on the delegated authorisation set out in item 6a.

Item 7

Authorisation for the Executive Board to have the Company acquire ordinary shares in the Company's capital (treasury shares).

The General Meeting is requested to authorise the Executive Board for the duration of an 18-month period starting on 19 April 2017 and within the limits of relevant legislation and subject to the Supervisory Board's approval, either on the Stock Exchange or privately, to acquire ordinary shares in the Company's capital up to a maximum of 10 percent of the capital issued on the day of acquisition, at a price between 0 and 10 percent above the average closing price of the shares on Euronext Amsterdam during the five trading days immediately prior to the acquisition date of the shares.

The reason this authorisation is requested is not that the Company has a specific purpose in mind, but rather that this enables the Company to act quickly if an event so requires.

If the authorisation is granted, it will replace the authorisation granted by the General Meeting on 20 April 2016.

Item 8

Supervisory Board

a. Appointment of Mr G. Boon as a member of the Supervisory Board.

By means of a press release, the Company notified the media on 19 January 2017 of a vacancy in the Supervisory Board as a result of Mr H. Scheffers stepping down as a member of the Company's Supervisory Board due to expiration of his term of office. The expiration of the term of office is apparent from, among other things, the retirement schedule available on the website.

The press release also announced the fact that Mr Scheffers indicated he will not be available for reappointment. The Supervisory Board therefore intends to nominate Mr G. Boon (1959) as a candidate for membership of the Supervisory Board.

The Supervisory Board once more confirms that it currently has a vacancy, and offers the General Meeting the opportunity to issue recommendations to the Supervisory Board. If the General Meeting refrains from issuing recommendations, and for that reason does not require postponement of the nomination, the Supervisory Board intends to propose the General Meeting on 19 April 2017 to appoint Mr Boon as a member of the Company's Supervisory Board for a four-year term.

The Central Works Council indicated that it declines to exercise its rights relating to filling this vacancy.

The Supervisory Board internally discussed the intended nomination and determined that Mr Boon, a former member of the Executive Board, has extensive experience and expertise relating to being in charge of large listed companies. In addition, as a former CFO, he has extensive experience and knowledge relating to financial, accounting and administrative issues. This demonstrates Mr Boon's fulfilment of the requirements set out in Section 2 paragraph 3 of the Royal Decree of 26 July 2008 for the implementation of Section 41 of the Directive Nr 2006/43/EC. Finally, Mr Boon has extensive international experience. With his knowledge and experience, Mr Boon will be able to further reinforce the Supervisory Board's expertise. His appointment would enhance the Supervisory Board's profile. The Supervisory Board members have therefore come to the conclusion that Mr Boon's appointment is desirable.

The details as referred to in Article 2: 142 sub 3 of the Dutch Civil Code have been published on the Company's website and read as follows:

Mr Boon studied both quantitative business economics and commercial law at Erasmus University Rotterdam, graduating in 1983. He also completed the RA (Chartered Accountant) study at the same university. Mr Boon started his career at Unilever. From 1983 to 2000, he fulfilled various positions within the company, lastly as the CFO of Unilever Brazil. In 2000, Mr Boon was appointed the CEO of DiverseyLever Netherlands, a position he fulfilled until 2004. Subsequently, Mr Boon held the position of CFO and member of the Executive Board with Rijnmond Waste Processing and Van Gansewinkel Group respectively. In 2010, he transferred to Nutreco, being appointed CFO and Executive Board member in 2011. In 2015, following the delisting of Nutreco, he decided to leave the company. Mr Boon has Dutch nationality and does not hold any shares in the Company's equity.

Mr Boon has the following ancillary positions:

- Chairman of the Supervisory Board of Albron;
- Member of the Supervisory Board of KPMG;
- Member of the Supervisory Board IDH (Initiative Sustainable Trade);
- Panel member at the Enterprise Division of the Amsterdam Court of Appeal.

Mr Boon fulfils the Dutch legal requirements relating to limitation of supervisory positions.

b. Appointment of Ms H. Valentin as a member of the Supervisory Board

By means of a press release, the Company notified the media on 21 February 2017 of a vacancy in the Supervisory Board as a result of Mr J.-P. Baron Hansen stepping down as a member of the Supervisory Board due to expiration of his term of office. The expiration of the term of office is also apparent from the retirement schedule available on the website.

The press release also mentioned the fact that Mr Hansen indicated that he will not be available for reappointment. The Supervisory Board therefore intends to propose Ms Valentin (1967) as a candidate for membership of the Company's Supervisory Board.

The Supervisory Board once more confirms that it currently has a vacancy, and offers the General Meeting the opportunity to issue recommendations to the Supervisory Board. If the General Meeting refrains from issuing recommendations, and for that reason does not require postponement of the nomination, the Supervisory Board intends to propose the General Meeting on 19 April 2017 to appoint Ms Valentin as a member of the Company's Supervisory Board for a four-year term.

The Central Works Council indicated that it declines to exercise its rights relating to filling this vacancy.

The Supervisory Board internally discussed the intended nomination and determined that Ms Valentin, the current Chief Operating Officer, Watson Internet of Things, IBM Corporation, has extensive experience and expertise relating to digital innovation. Furthermore, she has extensive knowledge of and experience in the field of transformation of business models. Finally, Ms Valentin has extensive international experience. With her knowledge and experience, Ms Valentin will further reinforce the Supervisory Board's expertise. Her reappointment would enhance the Supervisory Board's profile. The Supervisory Board members have therefore come to the conclusion that Ms Valentin's appointment is desirable.

The details as referred to in Article 2: 142 sub 3 of the Dutch Civil Code were published on the Company's website and read as follows:

Since 2016, Ms Valentin has served as the COO of IBM's Watson Internet of Things. In that capacity, she is responsible for developing the business and designing and building the business structure and product portfolio of this new IBM division. She is also a member of the supervisory board of IBM Denmark Aps since 2013. Before that, she was the COO of IBM's Germany / Austria / Switzerland region in the period 2014 - 2016, also responsible for rolling out the new strategy and implementing a new business model. She started her career with IBM in 1992, after graduating as a Master of Engineering at Denmark Technical University. Ms Valentin has Danish nationality and does not hold any shares in the Company's equity.

Ms Valentin holds the following ancillary positions:

- Advisor of the National Disruption Council in Denmark.

Ms Valentin fulfils the Dutch legal requirements relating to limitation of supervisory positions.

c. Remuneration of the Supervisory Board.

The remuneration of the Supervisory Board was lastly determined by the General Meeting on 7 May 2008. After internal consultation, the Supervisory Board members have come to the conclusion that this remuneration is no longer in proportion with the nature and intensity of its activities. In the past few years, the task of the Supervisory Board has significantly increased. This is also clear from the new Corporate Governance Code as published on 8 December 2016.

A comparative survey into the remuneration of Supervisory Board members of other Dutch AMX companies also led to

the conclusion that the remuneration is no longer in line with what is customary in this peer group.

For this reason, the Supervisory Board proposes adjusting its remuneration as per 1 May 2017 as follows:

- Chairman: €70,000 (was: €50,000);
- Deputy Chairman: €55,000 (was: €45,000);
- Other members: €50,000 (was: €40,000).

Above remuneration will be supplemented with an additional allowance of max. €10,000 (chairman) or €7,000 (members) for the membership of one or more committees. Non-Dutch members will receive an attendance fee of €1,500 per meeting. The fixed expense allowances will be abolished, to be replaced by a system of reimbursing actual cost.

Item 9

Questions and issues.

Item 10

Closure of the meeting.

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Listed in the Trade Register under number
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