



Royal BAM Group nv



Agenda and Notes

to the Annual General Meeting
of 17 April 2019



Agenda

of the Annual General Meeting, to be convened on Wednesday 17 April 2019 at 2 p.m.
at the Postillion Hotel Utrecht Bunnik, Kosterijland 8, 3981 AJ Bunnik, the Netherlands:

1. **Opening, notifications and announcements.**
2. **Report of the Supervisory Board for the financial year 2018:**
 - a. General report (*for discussion*);
 - b. Application of the remuneration policy regarding 2018 (*for discussion*).
3. **Report of the Executive Board for the financial year 2018 (*for discussion*).**
4. **Adoption of the 2018 Financial statements (*for resolution*).**
5. **Adoption of the dividend over the financial year 2018 (*for resolution*).**
6. **Discharge:**
 - a. Discharge of the members of the Executive Board for their management in the financial year 2018 (*for resolution*);
 - b. Discharge of the members of the Supervisory Board for their supervision of the management in the financial year 2018 (*for resolution*).
7. **Change in the corporate governance structure:**
Establishment of an Executive Committee (*for discussion*).
8. **Composition of the Supervisory Board:**
Re-appointment of Mrs C.M.C. Mahieu as a member of the Supervisory Board (*for resolution*).
9. **Confirmation of the Executive Board's authorisation to:**
 - a. Issue respectively grant rights to acquire ordinary shares and cumulative preference shares F (*for resolution*);
 - b. Restrict or exclude pre-emptive rights upon issuing respectively granting rights to acquire ordinary shares (*for resolution*).
10. **Authorisation for the Executive Board to have the Company acquire ordinary shares in the Company's capital (*for resolution*).**
11. **Re-appointment of Ernst & Young Accountants LLP as external auditor responsible for auditing the 2020 financial statements (*for resolution*).**
12. **Any other business.**
13. **Closing the meeting.**

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 20 March 2019 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 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 21 March 2019 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 shareholdership 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 10 April 2019 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

Report of the Supervisory Board for the financial year 2018:

a. General report;

This agenda item includes the discussion of the report of the Supervisory Board to shareholders. Please refer to page 79 and onwards in the integrated report.

b. Application of the remuneration policy regarding 2018.

In accordance with Dutch legislation, the application of the remuneration policy regarding 2018 will be discussed. Please refer to the remuneration report on page 90 and onwards in the integrated report. 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 2018 integrated report.

Item 3

Report of the Executive Board for the financial year 2018.

This agenda item includes the discussion of the report by the Executive Board. Please refer to page 6 and onwards in the integrated report. The Executive Board will give a presentation on developments and performance in 2018.

Item 4

Adoption of the 2018 financial statements.

It is proposed to adopt the 2018 financial statements which are included in the integrated report on page 100 and onwards.

Item 5

Adoption of the dividend over the financial year 2018.

BAM aims for a predictable dividend based on its policy to pay out a dividend on ordinary shares amounting to 30 to 50 per cent of the net 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. BAM's net result for 2018 of €23.8 million included a charge of €72 million for the impairment of deferred tax assets. Since this item is one-off,

non-operational and non-cash in nature, BAM has added back this item for the dividend payout calculation. Therefore, BAM proposes a dividend of €0.14 per ordinary share for 2018 (2017: €0.10) which equates to a payout ratio of 40 per cent of the adjusted net result.

Based on the number of ordinary shares outstanding as at year-end 2018, a maximum of €38.3 million will be paid out as dividend on ordinary shares. The dividend yield on ordinary shares amounts to 5.6 per cent based on the dividend proposal and the 2018 closing price of the BAM shares. The ex-dividend date is set on 23 April 2019, and the record date, after clearance of all credit and debit transactions of that date, is 24 April 2019.

Shareholders will be given the choice between cash or ordinary shares. The decision period for dividend in ordinary shares starts on 25 April 2019 and ends on 8 May 2019. The dividend will be paid out in cash, unless the shareholder explicitly requested to receive ordinary shares during the decision period.

The resolution of the General Meeting to distribute the dividend also involves the resolution to issue a number of ordinary shares, from fiscally recognised capital (*fiscaal erkend kapitaal*) in order to pay out the required amount of dividend in shares, and, in addition, involves the resolution to exclude the pre-emptive right relating to such shares. The implementation of the resolution will be delegated to the Executive Board.

The Executive Board may, subject to the Supervisory Board's approval, decide to use previously acquired ordinary shares in the Company's capital, held as temporary investment, to settle (part of) the dividend instead of issuing new shares.

The conversion ratio will be determined by the Executive Board on 8 May 2019 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. 6, 7 and 8 May 2019. Both the cash dividend and the stock dividend will be made available to the holders of ordinary shares on 15 May 2019, 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 over 2019 and subsequent financial years.

The stock dividend is treated as exempt from withholding tax. The cash dividend is paid from the net profit, deducting 15 per cent dividend tax. In so far the net result is not sufficient for the cash dividend, the dividend will be paid out of the free distributable reserves. Any remainder of the net result will be added to the retained earnings.

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.

The Company shall neutralise the dilution effect of the stock dividend by buying back an equal number of ordinary shares, to be held as temporary investment, as will be issued to deliver the stock dividend.

Item 6

Discharge:

a. Discharge of the members of the Executive Board for their management in the financial year 2018;

The General Meeting is requested to grant discharge to the members of the Executive Board. Discharge concerns all liability in relation to the exercise of their duties in the financial year 2018, to the extent that such exercise is apparent from the report of the Executive Board, the annual financial statements, announcements during the General Meeting or other public disclosures prior to the adoption of the 2018 financial statements. The discharge is granted to persons who held the position of Executive Board member of the Company in the financial year 2018.

b. Discharge of the members of the Supervisory Board for their supervision of the management in the financial year 2018.

The General Meeting is requested to grant discharge to the members of the Supervisory Board. Discharge concerns all liability in relation to the exercise of their duties in the financial year 2018, to the extent that such exercise is apparent from the report of the Executive Board, the report of the Supervisory Board, the annual financial statements, announcements during the General Meeting or other public disclosures prior to the adoption of the 2018 financial statements. The discharge is granted to persons who held the position of Supervisory Board member of the Company in the financial year 2018.

Item 7

Change in the corporate governance structure:

Companies are recommended to submit to the General Meeting any substantial change in their corporate governance structure and compliance with the Corporate Governance Code, in order to give the General Meeting the opportunity to discuss these items.

Establishment of an Executive Committee.

In a press release issued on 6 December 2018, BAM announced that it will change the top structure of the company. This change includes the establishment of an Executive Committee that consists of the two members of the Executive Board (the Chief Executive Officer and the Chief Financial Officer), two newly to be appointed Chief Operating Officers (one for Construction and Property and one for Civil Engineering), the Chief HR Officer and a new Chief Business Excellence Officer. The latter will be responsible for further improvement of tender procedures, the realisation of procurement synergies, the acceleration of digital construction and the improvement of project management. The Executive Board will manage the Company together with the Executive Committee which shall be collectively responsible for the performance of the Company, the implementation of the Company's strategy and Groupwide policies, systems and processes. Certain statutory and corporate matters remain the sole responsibility of the Executive Board. Furthermore, the Executive Board shall be fully accountable for the actions and decisions of the Executive Committee.

The change of the top structure is aimed at reinforcing implementation of the Group's strategy by better alignment of senior management, creating more focus on the strategic and operational priorities and getting more synergies from the Group's scale through the One BAM programme. The Supervisory Board will meet mostly with the full Executive Committee, but might decide to meet with the Executive Board only. Size and composition of the Executive Committee need Supervisory Board approval. The remuneration structure for the Executive Committee members will be similar to that for the Executive Board. Actual remuneration, including short and long term incentives, will need approval from the Supervisory Board.

Amended rules of procedure of the Executive Board and the Supervisory Board, to include the functioning of the Executive Committee, will be published on the Company's website. At the meeting shareholders will be given the opportunity to discuss this topic.

Item 8

Composition of the Supervisory Board:

In a press release issued on 20 February 2019, the Company announced that at the end of the General Meeting the second four-year term of both Mrs C.M.C. Mahieu and Mr K.S. Wester expires. Mr Wester will step down from the Supervisory Board. As soon as a successor for Mr Wester has been found, this will be announced and a proposal will be forwarded for appointment at an Extraordinary General Meeting.

Re-appointment of Mrs C.M.C. Mahieu as a member of the Supervisory Board.

The aforementioned press release also announced the Supervisory Board's intention to propose Mrs Mahieu for reappointment as a member of the Company's Supervisory Board. The Supervisory Board is offering the General Meeting the opportunity to make recommendations to the Supervisory Board. In the absence of any recommendations by the General Meeting, the Supervisory Board intends to propose Mrs Mahieu for reappointment by the General Meeting for a further period of two years as a member of the Company's Supervisory Board. As three of its members have been appointed only relatively recently, the Supervisory Board considers reappointment of Mrs Mahieu desirable from a continuity perspective.

The reinforced right of recommendation as referred to in Article 2:158(6) of the Dutch Civil Code applies to this appointment. The Central Works Council has announced, under the afore-said right, that it wishes to recommend Mrs Mahieu as a candidate for reappointment to the Supervisory Board.

The Supervisory Board has discussed the intended nomination internally. Over the past eight years Mrs Mahieu, has made a valuable contribution to the discussions and decisions of the Board. Her knowledge and experience of human resources, as well as her sense of the interests of the various stakeholders in large companies provided significant added value. Mrs Mahieu has extensive experience in human resources policy, management development and change management, in addition to wide-ranging expertise on developments with a social dimension and concerning society at large. She has also held various management positions at large international companies. With her knowledge and experience, Mrs Mahieu has strengthened the expertise available within the Supervisory Board and her reappointment will fit in well with the Board's profile.

The members of the Supervisory Board have therefore concluded that Mrs Mahieu should be nominated for reappointment. The information referred to in Article 2:142(3) of the Dutch Civil Code is published on the Company's website, and it reads as follows:

Mrs Mahieu studied economics at the University of Amsterdam, where she graduated in 1984. She began her career at Royal Dutch Shell, where she held various management positions dealing with human resources, communication and corporate strategy. After several years as a consultant, Mrs Mahieu joined Royal Philips Electronics as Senior Vice-President Corporate Human Resources in 2003. She took up her current position as Executive Vice-President and Global Head of Human Resources at Aegon in

September 2010. She became a member of Aegon's Management Board in 2016.

Mrs Mahieu is a Dutch national. She does not own any shares in the Company's capital. She holds the following additional offices:

- Member of the Supervisory Board of VodafoneZiggo.

She meets the Dutch legal stipulations regarding the limitation of supervisory positions and is to be considered as an independent board member in accordance with the Dutch Corporate Governance Code.

Item 9

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 17 April 2019 as the body authorised to issue of and/or grant rights to acquire ordinary shares and/or cumulative preference shares F up to a maximum of 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.

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 18 April 2018.

b. Restrict or exclude pre-emptive 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 17 April 2019 as the body authorised to exclude respectively restrict the pre-emptive rights upon issuing of and/or granting rights to acquire ordinary shares up to a maximum of 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.

The reason this authorisation is requested is that this enables the Company in combination with the authorisation under item 9a, to act quickly if an event so requires.

Item 10

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

The General Meeting is requested to authorise the Executive Board for the duration of an 18-month period starting on 17 April 2019 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 per cent of the capital issued on the day of acquisition, at a price, excluding expenses, not lower than the nominal value of the shares and not higher than 10 per cent above the average of the closing price of the shares on Euronext Amsterdam during the five trading days immediately prior to the acquisition date of the shares.

This authorisation enables the Company to acquire ordinary shares, to be held as temporary investment, to neutralise the dilution effect of the issue of stock dividend as mentioned under item 5, to fulfil its obligations deriving from the share plans, and/or for other purposes.

If the authorisation is granted, it will replace the authorisation granted by the General Meeting on 18 April 2018.

Item 11

Re-appointment of Ernst & Young Accountants LLP as external auditor responsible for auditing the 2020 financial statements.

The General Meeting is requested to re-appoint Ernst & Young Accountants LLP as the external auditor responsible for auditing the 2020 financial statements.

As part of its consideration of the 2018 integrated report, including the financial statements, the Supervisory Board assessed the relationship with the external auditor, based on a report from the Executive Board and the evaluation and recommendation of the Audit Committee. The Audit Committee stated that its recommendation is free from influence by a third party and that no clause of a contract as referred to in article 16 par. 6 of the Regulation (EU) No 537/2014 restricts the resolution of the General Meeting. Based on this assessment, the Supervisory Board's experience with the external auditor and the external auditor's expertise with regard to the construction industry in general and Royal BAM Group in particular, the proposal to the General Meeting is to re-appoint Ernst & Young Accountants LLP as external auditor responsible for auditing the 2020 financial statements of Royal BAM Group.

Item 12

Any other business.

Item 13

Closing the meeting.

Royal BAM Group nv
Runnenburg 9
3981 AZ Bunnik
P.O. Box 20
3980 CA Bunnik
The Netherlands
+31 (0)30 659 89 88
info@bam.com
www.bam.com

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