

**Explanation to the proposed amendment of Article 16 of the Articles of Association of the company.**

The General Meeting of Shareholders of 21 April 2009 has of the three alternatives which have been submitted to the meeting: (i) voluntary continuation of the structure regime ("*structuurregime*"), (ii) applying the so-called mitigated structure regime ("*gemitigeerd structuurregime*") or (iii) abolishing the structure regime, opted for the second alternative.

This means that the members of the Board of Management will no longer be appointed by the Supervisory Board, but by the General Meeting of Shareholders ("the General Meeting"). The current provisions regarding the appointment of members of the Supervisory Board remain unchanged.

The choice of the General Meeting for a mitigated structure regime includes an amendment of Article 16 of the Articles of Association. Attached is a triptych, in which the current text of Article 16, the proposed amendment and a short explanation have been incorporated.

The amendment, briefly summarized, relates to the following:

- appointment of the members of the Board of Management by the General Meeting;
- the Supervisory Board is authorized to make a binding nomination;
- the General Meeting may overrule the binding nature of this nomination, similar to a provision of the Dutch corporate governance code, after which the General Meeting will be free in the appointment of members of the Management Board for the vacancy in question in accordance with the provisions of the proposed amended Article 16;
- resolutions concerning candidates who have been nominated by the Supervisory Board as member of the Board of Management, will be adopted by the General Meeting by absolute majority of the votes cast;
- resolutions concerning candidates who have not been nominated by the Supervisory Board as member of the Management Board will be adopted by the General Meeting by an absolute majority of the votes cast, which majority at least represents one-third of the issued capital. The reason for this qualified majority is to prevent an important resolution as an appointment of a member of the Board of Management from being subject to an accidental composition of the meeting of the General Meeting. The use of a threshold in case of appointments is common practice for AEX companies;
- dismissal or suspension of members of the Management Board by the General Meeting; the Supervisory Board is also authorized to suspend.

The Management Board and the Supervisory Board of Koninklijke BAM Groep recommend the proposed amendment of the articles of association to the shareholders and propose the General Meeting to adopt a resolution to amend the articles of association of the Company in accordance with the attached draft.

Koninklijke BAM Groep N.V., Bunnik March 2010

**UNOFFICIAL TRANSLATION**

Proposal to amendment of

Article 16 of the Articles of Association of

KONINKLIJKE BAM GROEP N.V.

CURRENT ARTICLES OF ASSOCIATION	PROPOSED AMENDMENT ARTICLES OF ASSOCIATION	EXPLANATION
<p><b><u>Board of Management.</u></b> <b><u>Article 16.</u></b></p> <p>16.1. The Company shall be managed by a Board of Management consisting of two or more members, to be determined by the Supervisory Board. The Supervisory Board shall appoint one of the members as Chairman of the Board of Management.</p>	<p><b><u>Board of Management.</u></b> <b><u>Article 16.</u></b></p> <p>16.1 The Company shall be managed by a Board of Management consisting of two or more members, to be determined by the Supervisory Board. The Supervisory Board shall appoint one of the members of the Board of Management as Chairman and may appoint one of the members of the Board of Management as Vice-Chairman.</p>	<p><b><u>Board of Management.</u></b> <b><u>Article 16.</u></b></p> <p>Possibility to appoint a vice-chairman</p>

<p>All resolutions of the Board of Management shall be adopted by an absolute majority of votes; in the event of a tie vote, no resolution shall be adopted, unless there are more than two members of the Board of Management: in that case, the chairman of the Board of Management shall have a casting vote.</p> <p>The Board of Management may also adopt resolutions without holding a meeting, provided that such resolutions are adopted in writing, by cable, by electronic device, by telefax, by telephone or by means of videoconferencing, and provided that the matter in question has been brought to the attention of all members of the Board of Management, no member of the Board of Management has objected to this means of resolving, all members have taken part in the decision-making process and, in case of a meeting by way of telephone or videoconferencing, all members of the Board of</p>	<p><u>The members of the Board of Management shall be appointed by the General Meeting in accordance with the procedure hereinafter described in this Article.</u></p>	<p>The shareholders appoint the members of the Board of Management</p> <p>Due to a logical structure of the provisions of Article 16, the existing means of decision-making have been moved unchanged to paragraph 15.</p>
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<p>Management are able to hear each other simultaneously.</p> <p>16.2. Subject to the provisions of Article 162, Book 2, Civil Code, the members of the Board of Management are appointed by the Supervisory Board. The Supervisory Board shall inform the General Meeting of any intended appointments to the Board of Management.</p>	<p>16.2. <u>Upon the appointment of a member of the Board of Management in General Meetings may exclusively be voted for candidates of whom the nomination was stated in the agenda of the meeting, or in an explanation to the agenda. Each nomination states in respect of the candidate: her/his name, age, profession, the amount of the shares in the Company's share capital held by her/him and the positions currently or previously held by her/him insofar as relevant to the fulfilment of the duties as a member of the Board of Management. Each nomination for an appointment of a member of the Board of Management shall be explained. If a nomination based on the law consists of more persons, this nomination shall give the aforementioned information with regard to each of these persons.</u></p>	<p>Proposed is that one may only vote for a person who was nominated in the notification, so that the General Meeting will timely have all information regarding the proposed candidates at its disposal.</p> <p>Similar information of the directors to be appointed is made public as is statutory required in case of a nomination of a supervisory director.</p>
	<p>16.3. <u>For the appointment of a member of the Board of Management may draw up a binding nomination of one person or as many persons as the law requires for</u></p>	<p>Based on the legislative proposal regarding the introduction of the one-tier board, after implementation of such proposal also a name of just one person will be sufficient for a binding</p>

	<p><u>each vacancy to be filled. In the notice of the General Meeting in which the appointment of a member of the Board of Management will be put forward, notification will be given on whether a binding nomination has been drawn up by the Supervisory Board.</u></p>	<p>nomination. The nomination has to be made public in the notice.</p>
<p>16.4.</p>	<p><u>If a binding nomination has been drawn up by the Supervisory Board, the General Meeting shall adopt a resolution concerning the nominated member of the Board of Management. A resolution to appoint a member of the Board of Management in accordance with a binding nomination of the Supervisory Board shall be adopted by absolute majority of the votes cast. At a meeting, the appointment and the rejection of the binding nomination as referred to in paragraphs 6 and 7 may be put to the vote as one proposal.</u></p>	<p>This Article governs the case in which the Supervisory Board has drawn up a binding nomination. In case of a binding nomination the candidate may be appointed by absolute majority. The last sentence offers the opportunity to resolve for practical reasons about appointment and rejection at the same time, by announcing that a vote against the appointment will be considered a vote for overruling of the binding nature and that in case the majority votes for the appointment, the candidate will be appointed.</p>
<p>16.5.</p>	<p><u>If no binding nomination has been drawn up by the Supervisory Board, the General Meeting, with due regard to the provisions of Article 16.2., may appoint a member of the Board of Management at its discretion, which resolution will be</u></p>	<p>This Article governs the case in which the Supervisory Board does not draw up a binding nomination.</p>

	<p><u>adopted by absolute majority of the votes cast, if such majority represents more than one-thirds of the issued capital.</u></p>	
<p>16.6.</p>	<p><u>The General Meeting may overrule the binding nature the nomination by the Supervisory Board by a resolution adopted by absolute majority of the votes cast, if such majority represents more than one-thirds of the issued capital.</u></p>	<p>The elaboration of the provisions regarding overruling of the binding nature of a nomination was derived from the Dutch corporate governance code.</p>
<p>16.7.</p>	<p><u>If the shareholders withhold their support from the binding nomination of the Supervisory Board by an absolute majority of the votes, but such majority does not represent at least one-thirds of the issued share capital, a new General Meeting may be convened at which the nomination may be rejected by absolute majority of the votes, regardless of the proportion of the capital representing such majority.</u></p>	<p>If the majority does overrule the binding nature of the nomination, but the quorum requirement is not met, in a new General Meeting the binding nature of the nomination can be overruled by absolute majority and paragraph 8 applies. All this in accordance with the Dutch corporate governance code.</p>
	<p>16.8.</p> <p><u>If the General Meeting has adopted a resolution overruling the binding nature of the nomination, a second but not non-binding nomination may be drawn</u></p>	<p>After an overruling of the nomination, the Supervisory Board may in a next General Meeting only draw up a non-binding nomination.</p>

<p>16.3. A member of the Board of Management shall be appointed for a maximum period of four years. The term of office shall end at the closing of the first annual general meeting of shareholders which is to be held in the fourth year after the year of his appointment, unless the member of the Board of Management, resigns earlier. A member of the Board of Management may be reappointed subject to the provisions earlier in this paragraph. The Supervisory Board may adopt a rotation</p>	<p><u>up by the Supervisory Board for the appointment at the next General Meeting. The nomination gives in respect of the candidate the information mentioned in paragraph 2. A person nominated by the Supervisory Board shall be appointed by the General Meeting by a resolution by absolute majority of the votes cast. A person who was not nominated by the Supervisory Board, shall be appointed by the General Meeting by a resolution adopted by absolute majority of the votes cast, if such majority represents more than one-thirds of the issued capital.</u></p>	<p>If a non-binding nomination is drawn up by the Supervisory Board, an absolute majority may resolve on the candidate. If, for example, the shareholders draw up the nomination, the quorum requirements also apply. For explanatory purposes, paragraph 12 excludes the possibility of a second meeting.</p>
<p>16.9. A member of the Board of Management shall be appointed for a maximum period of four years. The term of office shall end at the closing of the first annual General Meeting which is to be held in the fourth year after the year of his appointment, unless the member of the Board of Management, resigns earlier. A member of the Board of Management may be reappointed subject to the provisions earlier in this paragraph. The Supervisory Board may adopt a rotation schedule with regard to</p>	<p>16.9. A member of the Board of Management shall be appointed for a maximum period of four years. The term of office shall end at the closing of the first annual General Meeting which is to be held in the fourth year after the year of his appointment, unless the member of the Board of Management, resigns earlier. A member of the Board of Management may be reappointed subject to the provisions earlier in this paragraph. The Supervisory Board may adopt a rotation schedule with regard to</p>	

<p>schedule with regard to the members of the Board of Management.</p>	<p>the members of the Board of Management.</p>	
<p>16.4. The Supervisory Board may suspend or dismiss a member of the Board of Management at any time, with the proviso that a member of the Board of Management cannot be dismissed until the General Meeting has been consulted on the intended dismissal. If a member of the Board of Management has been suspended and the Supervisory Board fails to extend this suspension - which may only be done once and for no more than two months - or fails to dismiss the member concerned - subject to the provisions of the preceding sentence - within three months of the suspension resolution, the member of the Board of Management concerned shall be reinstated in his office. A member of the Board of Management who is suspended shall be given the opportunity to account for himself to the Supervisory Board and to have a legal counsel assist him in this.</p>	<p>16.10. <u>The General Meeting may suspend or dismiss a member of the Board of Management at any time. The Supervisory Board may suspend a member of the Board of Management at any time.</u> <u>A resolution to suspend or dismiss a member of the Managing Board shall be adopted by absolute majority of the votes cast, if such majority represents more than one-thirds of the issued capital, unless the proposal for suspension or dismissal was initiated by the Supervisory Board, in which case the resolution shall be adopted by absolute majority of the votes cast, without a quorum requirement.</u>  A member of the Board of Management shall in case of suspension or dismissal be given the opportunity to account for herself/himself to the General Meeting and to have a legal counsel assist her/him in this.</p>	<p>In case of a proposal by the Supervisory Board for suspension or dismissal of a member of the Board of Management, the General Meeting may resolve by absolute majority. In all other cases, the resolution has to be adopted by absolute majority of the votes cast, if such majority represents more than one-thirds of the issued capital.</p>



	<p><u>16.11. If either the General Meeting or the Supervisory Board has suspended a member of the Board of Management, the General Meeting shall within three months after the suspension has taken effect resolve either to dismiss such member of the Board of Management, or to terminate or continue the suspension, failing which the suspension shall lapse. A resolution to continue the suspension may be adopted only once and in such event the suspension may be continued for a maximum period of two months commencing on the day the General Meeting has adopted the resolution to continue the suspension. If the General Meeting has not resolved to dismiss such member of the Board of Management, or to terminate the suspension within the period determined for continuation, the suspension shall lapse.</u></p>	<p>This provision corresponds with the provisions of the current Article 16.4. second sentence.</p>
	<p><u>16.12. With regard to subjects referred to in this Article 16, a second General Meeting may not be convened pursuant to section 2:120 subsection 3 of the Civil Code, except for in the manner and to the extent that in this Article 16</u></p>	

	<p><u>explicitly has been provided for.</u></p>	
<p>16.5. In the event of the absence or incapacity of one or more members of the Board of Management, the other members of the Board of Management or the other sole member of the Board of Management shall be temporarily charged with the entire management. In the event of the absence or incapacity of all members of the Board of Management or of the sole member of the Board of Management, the Supervisory Board shall be temporarily charged with the management; in that case, the Supervisory Board shall be authorized to appoint one or more temporary managers.</p> <p>In the event of incapacity, the Supervisory Board shall take the necessary measures as soon as possible in order to provide for definitive appointments.</p>	<p>16.13. In the event of the absence or incapacity of one or more members of the Board of Management, the other members of the Board of Management or the other sole member of the Board of Management shall be temporarily charged with the entire management. In the event of the absence or incapacity of all members of the Board of Management or of the sole member of the Board of Management, the Supervisory Board shall be temporarily charged with the management; in that case, the Supervisory Board shall be authorized to appoint one or more temporary managers.</p> <p>In the event of incapacity, the Supervisory Board shall take the necessary measures as soon as possible in order to provide for definitive appointments.</p>	
<p>16.6. The Board of Management shall meet as often as requested by a member of the Board of Management.</p>	<p>16.14. The Board of Management shall meet as often as requested by a member of the Board of Management.</p>	
	<p>16.15. All resolutions of the Board of</p>	<p>This paragraph corresponds with the text of the</p>

	<p>Management shall be adopted by an absolute majority of votes; in the event of a tie vote, no resolution shall be adopted, unless there are more than two members of the Board of Management: in that case, the chairman of the Board of Management shall have a casting vote.</p> <p>The Board of Management may also adopt resolutions without holding a meeting, provided that such resolutions are adopted in writing, by cable, by electronic device, by telefax, by telephone or by means of videoconferencing, and provided that the matter in question has been brought to the attention of all members of the Board of Management, no member of the Board of Management has objected to this means of resolving, all members have taken part in the decision-making process and, in case of a meeting by way of telephone or videoconferencing, all members of the Board of Management are able to hear each other simultaneously.</p>	<p>current Article 16.1. second sentence and following.</p>
<p>16.7. Subject to these Articles of Association, the Board of Management may draw up rules governing its internal affairs.</p>	<p><u>16.16.</u> Subject to these Articles of Association, the Board of Management may draw up rules governing its internal affairs.</p>	

<p>Adoption as well as amendment of such rules requires the approval of the Supervisory Board.</p> <p>The members of the Board of Management may moreover divide their tasks among themselves, by virtue of rules or otherwise; this division shall require the approval of the Supervisory Board.</p>	<p>Adoption as well as amendment of such rules requires the approval of the Supervisory Board.</p> <p>The members of the Board of Management may moreover divide their tasks among themselves, by virtue of rules or otherwise; this division shall require the approval of the Supervisory Board.</p>	
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