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# 2010

## **Agenda and explanatory notes**

**Annual General Meeting of Shareholders**

**on 20 April 2011**

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# Agenda

of the Annual General Meeting of Shareholders, to be held on Wednesday 20 April 2011, starting at 3 p.m., in the Koepelzaal of the Renaissance Amsterdam Hotel, Kattengat 1, 1012 SZ Amsterdam.

- 1 **Call to order and announcements.**
- 2 **Report on the 2010 financial year:**
  - a. Discussion of the report by the Executive Board;
  - b. Discussion of the report by the Supervisory Board;
  - c. Discussion and adoption of the 2010 financial statements.
- 3 **Adoption of the dividend.**
- 4 **Ratification of the decisions taken by the members of the Executive Board in their conduct of business in the 2010 financial year.**
- 5 **Ratification of the supervision exercised by the members of the Supervisory Board during the 2010 financial year in respect of the Executive Board's conduct of business.**
- 6 **Authorisation of the Executive Board to:**
  - a. issue and grant rights to acquire ordinary shares and Class F cumulative preference shares;
  - b. restrict or exclude pre-emptive rights in the event of an issue of or the granting of rights to acquire ordinary shares.
- 7 **Authorisation of the Executive Board to arrange for the acquisition by the Company of:**
  - a. ordinary shares in the Company's capital, or depositary receipts for those shares;
  - b. Class F cumulative preference shares in the Company's capital, or depositary receipts for those shares.
- 8 **Withdrawal of all (473,275) issued Class F non-convertible cumulative preference shares (with repayment).**
- 9 **The Supervisory Board**
  - a. Appointment of Ms C.M.C. Mahieu as a member of the Supervisory Board;
  - b. Appointment of Mr K.S. Wester as a member of the Supervisory Board;
  - c. Appointment of Mr P.A.F.W. Elverding as a member of the Supervisory Board;
  - d. Reappointment of Mr W.K. Wiechers as a member of the Supervisory Board.
- 10 **Adoption of the long-term benefit plan for members of the Executive Board.**
- 11 **Reappointment of PricewaterhouseCoopers as the external auditor charged with auditing the financial statements.**
- 12 **Any other business.**
- 13 **Closure of the meeting.**

Voting will take place at the meeting on agenda items 2c and 3 to 11; the other items are on the agenda for information and discussion purposes.

Shareholders whose shares entitle them to attend or attend and vote at this meeting will be those shareholders who enjoy such rights as of Wednesday 23 March 2011 at 6.00 p.m. (the 'Registration Deadline'), after processing of all share transfers, and who are registered as such in a register or sub-register designated for this purpose by the Executive Board. The records of the intermediaries as defined in the Securities (Bank Giro Transactions) Act (Wet giraal effectenverkeer) as at the Registration Deadline will serve as the sub-register for the holders of bearer shares. The Company's register of shareholders as at the Registration Deadline will be the register for holders of registered shares.

Holders of bearer shares and those deriving their right to attend from bearer shares can register to attend the meeting by calling the Royal Bank of Scotland (hereinafter 'RBS') from Thursday 24 March 2011, on (020) 464 37 07, via the intermediary which manages their shares. Holders of bearer shares and those deriving their right to attend from bearer shares must state their full address when registering, so that RBS can properly verify share ownership as at the Registration Deadline. Confirmation from the relevant intermediary must also be provided as part of the registration process, stating the number of shares to be represented at the meeting and confirming that the shareholder owned these shares as of the Registration Deadline.

RBS must have received each attendee's registration and confirmation by 5 p.m. on Friday 15 April 2011 at the latest. Holders of bearer shares and those deriving their right to attend from bearer shares who have registered accordingly will receive an admission card by email or post. This admission card will serve as proof of entitlement to attend the meeting.

If holders of bearer shares and those deriving their right to attend from bearer shares wish to be represented by a proxy, they must submit written proxy authorisation when they register.

Holders of registered shares and those deriving their right to attend from registered shares and their proxies are requested to inform the Company's Executive Board, in writing, of their intention to attend the meeting by no later than Friday 15 April 2011 (Postbus 20, 3980 CA Bunnik). Proxies must also submit their written authorisations by no later than Friday 15 April 2011.

Shareholders, proxies or other parties entitled to attend the meeting must show proof of identity upon arrival. They will also be required to show their admission card to be able to participate in the meeting.

## Notes

### To our shareholders:

Royal BAM Group nv hereby presents the 2010 Annual Report. The Group closed the financial year with a net result of €15.3 million from operating revenue of €7.6 billion. The last two years have been difficult for BAM. The impairment of the Group's Dutch property portfolio in particular weighed heavily on the course of business. However, although the outlook is not especially rosy for the various construction markets in which the Group's companies operate, we have every confidence that we will strengthen the profitability of our Group in the European construction and property markets, not least because of our €12.1 billion order book at the start of the 2011 financial year.

BAM opted long ago to spread its activities, in terms of both sectors and geographical regions. This business model ensures that the Group is less vulnerable to worse-than-expected developments in a particular sector or a particular country. Although the effects of the economic downturn were felt in all markets, the prospects (and the opportunities) differ greatly from one market to another. Fortunately, our companies have established roots in their own market where they can offer our customers the full range of expertise from across the entire Group, which is why they can benefit fully from the demand for better-quality, efficient (especially cost-efficient) and sustainable solutions.

Allowing for market conditions, our construction companies performed soundly right across the board in 2010. The fact that the Group as a whole was unable to translate the operating companies' performances into an equally sound Group result was due to the need to take an impairment on BAM's Dutch property portfolio. We understand that this has really tested the confidence of our shareholders and the financial world in general and both BAM's management and its employees are extremely grateful for the widespread support and understanding regarding the need to take this far-reaching measure. We can assure you that we remain very much aware of our responsibility to justify the confidence expressed by our stakeholders.

Our strategic agenda is based on a target margin of 4 percent. This remains our target in due course, even in the current economic climate. 2010 did see serious progress made on numerous policy items, not only financially, but also in relation to markets, products and concepts, organisation and people and society. Improved management of cash and operating capital, a Group-wide and fully integrated project-based methodology and Lean Construction are just a few examples from a long list of strategic measures that were successfully implemented during the year under review.

Further steps were also taken in relation to sustainability. These steps are described in detail in the Group's sustainability report. The enthusiasm and commitment shown by our employees right across the Group in developing initiatives and launching projects to make our activities more sustainable is particularly impressive (especially in relation to the key points of safety, CO<sub>2</sub> emissions and waste management).

Finally, we wish to draw your attention to our website, [www.bam.nl](http://www.bam.nl), where you can access the notice convening this General Meeting, as well as the various documents that will be discussed during the meeting. Shareholders and others who are entitled to attend the meeting can also request copies of these documents free of charge from the Company's office.

Bunnik, Netherlands, 3 March 2011

**W.K. Wiechers**  
*Chairman*  
*Supervisory Board*

**N.J. de Vries**  
*Chairman*  
*Executive Board*

### Item 1

#### Call to order and announcements.

### Item 2

#### Report on the 2010 financial year.

##### a. Discussion of the report by the Executive Board.

Please refer to pages 37 et seq. of the Annual Report.

##### b. Discussion of the report by the Supervisory Board.

Please refer to pages 17 et seq. of the Annual Report.

##### c. Discussion and adoption of the 2010 financial statements.

The 2010 financial statements are submitted to the General Meeting for adoption.

### Item 3

#### Adoption of the dividend.

The General Meeting of Shareholders will be invited to declare a dividend for 2010 per ordinary share of €0.03 in cash or in shares (2009: €0.10). The number of rights to shares required to be allocated a new share will be calculated in such a way that the gross dividend distributed on shares will be approximately 5 percent higher than the gross cash dividend.

The proposal corresponds to a payout percentage of 45 percent based on the net result for 2010 of €15.3 million. A maximum of €7 million will be distributed as dividend on the ordinary shares based on the number of outstanding ordinary shares at year-end 2010. The portion that is not distributed (at least €8.3 million) will be added to the general reserves. The dividend return on the ordinary shares amounts to 0.7 percent based on the proposed dividend and the 2010 closing price (2009: 1.4 percent).

Cash dividends of €0.37086 and €0.38346, respectively, will be paid out per share for the convertible and non-convertible financing preference shares.

### Item 4

#### Ratification of the decisions taken by the members of the Executive Board in their conduct of business in the 2010 financial year.

The General Meeting is requested to ratify the work done by the members of the Executive Board.

This ratification, or discharge, pertains exclusively to management as shown by the Annual Report, the financial statements and the announcements at the General Meeting of Shareholders. Discharge is granted to those persons who held the office of member of the Company's Executive Board during the 2010 financial year.

### Item 5

#### Ratification of the supervision exercised by the members of the Supervisory Board during the 2010 financial year in respect of the Executive Board's conduct of business.

The General Meeting is requested to ratify the work done by the members of the Supervisory Board.

This ratification, or discharge, pertains exclusively to the supervision of the Executive Board's management of the Company, as shown in the Annual Report, the financial statements and the announcements at the General Meeting. Discharge is granted to those persons who held the office of member of the Company's Supervisory Board during the 2010 financial year.

### Item 6

#### Authorisation of the Executive Board to:

##### a. issue and grant rights to acquire ordinary and Class F cumulative preference shares.

The General Meeting is asked to designate the Executive Board for a period of eighteen months starting on 20 April 2011 as the body empowered, subject to the approval of the Supervisory Board, to issue and/or grant rights to acquire ordinary shares and/or Class F cumulative preference shares up to a maximum of 10 percent plus an additional 10 percent of the number of ordinary shares and Class F cumulative preference shares outstanding at the time of the meeting, which additional 10 percent may be used exclusively in connection with mergers and acquisitions by the Company or the Company's operating companies.

This authorisation is not requested because the Company has any specific purpose in mind, but rather to give the Company the option to act at short notice, should a reason arise to do so.

**b. restrict or exclude pre-emptive rights in the event of an issue of or the granting of rights to acquire ordinary shares.**

The General Meeting is requested to designate the Executive Board, for a period of eighteen months from 20 April 2011, as the body empowered, subject to the approval of the Supervisory Board, to exclude or restrict preferential rights in the event of an issue of or the granting of rights to acquire ordinary shares.

This authorisation is also not requested because the Company has any specific purpose in mind, but rather to give the Company the option to act at short notice, should a reason arise to do so.

**Item 7**

**Authorisation of the Executive Board to arrange for the acquisition by the Company of:**

**a. ordinary shares in the Company's capital or depositary receipts for those shares.**

The General Meeting is requested to grant the Executive Board the authority for eighteen months starting from 20 April 2011 – within the restrictions laid down by law and the Articles of Association and subject to the approval of the Supervisory Board – to acquire ordinary shares in the Company's capital or depositary receipts for those shares, either on the stock exchange or privately, up to the maximum percentage permitted under the Articles of Association of 10 percent of the issued capital and at a price between zero and ten percent above the average trading price for the five trading days immediately preceding the day on which the shares in question are obtained.

This authorisation is an extension of the current authorisation and is not requested because the Company has any specific purpose in mind, but instead to allow the Company the possibility of acting on short notice, should a reason arise to do so;

**b. Class F cumulative preference shares in the Company's capital, or depositary receipts for those shares.**

The General Meeting is requested to grant the Executive Board the authority for eighteen months starting from 20 April 2011 – within the restrictions laid down by law and the Articles of Association and subject to the approval of the Supervisory Board – to acquire Class F cumulative

preference shares in the Company's capital or depositary receipts for those shares, either on the stock exchange or privately, up to the maximum percentage permitted under the Articles of Association of 10 percent of the issued capital and at a price between zero and the price that the holders of the shares in question would receive under the provisions of the Company's Articles of Association in the event of these shares being withdrawn with repayment.

This authorisation is an extension of the current authorisation and is being requested in order to simplify the Company's capital structure.

**Item 8**

**Withdrawal of all (473,275) issued Class F non-convertible cumulative preference shares.**

The General Meeting will be asked to pass a resolution to withdraw all (473,275) issued Class F non-convertible cumulative preference shares from series FP4, subseries 2. The Company currently holds 398,517 of these shares.

The Class F non-convertible cumulative preference shares from series FP4, subseries 2 that are not held by the Company will be withdrawn with repayment of the nominal value and payment of the amounts specified in Article 8, paragraph 4 of the Articles of Association. The amount to be paid out will be calculated as specified in Article 8, paragraph 4 of the Articles of Association. The payment will be made after the withdrawal procedure is complete on the day when the nominal value is repaid.

The shares to be withdrawn are the last portion of the Class F non-convertible cumulative preference shares from series FP4, subseries 2, which were issued at the end of 2002 to finance the Company's purchase of Hollandsche Beton Groep nv.

A substantial portion of these shares were already repurchased and withdrawn in 2005.

According to the Company's Articles of Association and the prospectus published on 10 December 2002 in connection with the issuance of shares including the Class F non-convertible cumulative preference shares from series FP4, subseries 2, the dividend percentage for this series had to be revised after eight years, i.e. with effect from 1 January 2011. Holders of Class F non-convertible cumulative preference shares from series FP4, subseries 2 were therefore sent an invitation on 29 October 2010 inviting them to attend a meeting on 6 December 2010 to reach agreement about changing the dividend on these

preference shares. A proposal to change the dividend was published on 18 November 2010.

However, no agreement could be reached about changing the dividend on the Class F non-convertible cumulative preference shares from series FP4, subseries 2 because no one entitled to vote attended the meeting on 6 December 2010.

The prospectus of 10 December 2002 states that the Executive Board can place the withdrawal of these shares on the agenda of the next General Meeting if agreement cannot be reached about changing the dividend.

The Executive Board – with the approval of the Supervisory Board – has decided to take advantage of this option. The aim of the proposal to withdraw the Class F non-convertible cumulative preference shares from series FP4, subseries 2 is to simplify the Company's capital structure.

Withdrawal of the shares and the subsequent payments will take place with due regard for a two-month period within which creditors can lodge an objection in accordance with Book 2, Section 100, paragraph 5 of the Dutch Civil Code. The total amount to be paid out to each holder of these shares will be rounded off to two decimal places for each shareholder.

The withdrawal procedure will be initiated as soon as possible after this meeting and is expected to be complete by August of this year.

## Item 9

### The Supervisory Board.

#### a. Appointment of Ms C.M.C. Mahieu as a member of the Supervisory Board.

In a press release issued on 26 August 2010, the Company announced that a vacancy had arisen on the Supervisory Board after Mr R.J.N. Abrahamsen stepped down as a supervisory director of the Company on 21 April 2010 at the end of his term of office.

The Central Works Council stated that it intended to exercise its reinforced right of recommendation as referred to in Book 2, Section 158, paragraph 6 of the Dutch Civil Code in relation to this vacancy and recommended that Ms C.M.C. Mahieu be put forward for appointment as a member of the Supervisory Board. The Supervisory Board fully endorses this recommendation.

The Supervisory Board is offering the General Meeting the opportunity to make recommendations to the Supervisory Board regarding filling the vacancy on the Supervisory Board.

In the absence of any recommendations by the General Meeting, the Supervisory Board intends to propose Ms Mahieu for appointment by the General Meeting on 20 April 2011 for a period of four years as one of the Company's supervisory directors.

The Supervisory Board has discussed the intended proposal and has become acquainted with the candidate.

The supervisory directors have observed that Ms Mahieu has extensive experience of human resources policy, the management of change and management development, 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, Ms Mahieu will further strengthen the expertise available within the Supervisory Board and she will fit in well with the Board's profile.

The information referred to in Book 2, Section 142, paragraph 3 of the Dutch Civil Code is posted on the Company's website, and it reads as follows:

Ms Mahieu studied Economics at the University of Amsterdam, where she graduated cum laude 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 (at Spencer Stuart, for example), Ms Mahieu joined Royal Philips Electronics as Senior Vice-President Corporate Human Resources in 2003. She took up her current position as Global Head of Human Resources at Aegon in September 2010.

Ms Mahieu also holds the following supervisory positions: member of the Supervisory Board of the Haga Ziekenhuis hospital in The Hague, member of the Supervisory Board of the Jeugdformaaf foundation in Rijswijk, member of the Supervisory Board of Bakkersland in Hedel and member of the Advisory Council of the Senior Civil Service of the Ministry of the Interior and Kingdom Relations responsible for all senior civil service appointments.

Ms Mahieu is a Dutch national and is 51 years old. She does not own any shares in the Company's capital.

**b. Appointment of Mr K.S. Wester as a member of the Supervisory Board.**

The Company announced in a press release dated 3 March 2011 that Mr W. van Vonno, who has been a member of the Supervisory Board since 2006, has indicated his intention to step down from the Supervisory Board for personal reasons following the General Meeting on 20 April 2011. The Supervisory Board obviously respects Mr Van Vonno's decision and is extremely grateful to him for the commitment and effort with which he has carried out his duties as a member of the Supervisory Board. The Supervisory Board greatly appreciates the contribution made by Mr Van Vonno to the Group, not least in his previous role as Chairman of the Executive Board.

The Supervisory Board is offering the General Meeting the opportunity to make recommendations to the Supervisory Board regarding filling the resulting vacancy on the Board.

The press release on 3 March 2011 also stated that if the General Meeting makes no other recommendations, the Supervisory Board intends to propose that Mr K.S. Wester be appointed to the Supervisory Board for a four-year period by the General Meeting on 20 April 2011 to fill the vacancy created by Mr Van Vonno's departure. The Supervisory Board has discussed the intended proposal, based in part on the report on the meeting with the candidate. The Supervisory Board believes that Mr Wester has extensive knowledge and experience in managing an international engineering company. He is an expert in the construction industry in the broad sense of the term and has wide-ranging experience of the national and international markets in which the Group operates. With his knowledge and experience, Mr Wester will further strengthen the expertise available within the Supervisory Board and he will fit in well with the Board's profile.

The Central Works Council has indicated that it fully supports the proposal to put forward Mr Wester for appointment to the Supervisory Board.

The information referred to in Book 2, Section 142, paragraph 3 of the Dutch Civil Code is posted on the Company's website, and it reads as follows:  
After obtaining a Civil Engineering degree from Delft University of Technology in 1969, Mr Wester briefly worked for Fugro as a geotechnical engineer. He then joined Costain Blankevoort and subsequently Ballast Nedam, working for these companies in England, the United Arab

Emirates and Kuwait, respectively. In 1981, he returned to Fugro, where he subsequently held a range of management positions before being appointed to the Fugro Executive Board as a member under the Articles of Association in 1996 and going on to become Chairman of the Executive Board in 2005.

Mr Wester also holds the following positions: member of the Supervisory Board of Iv-Groep and member of the Advisory Council for Issuing Institutions of NYSE Euronext.

Mr Wester is a Dutch national and is 64 years old. He does not own any shares in the Company's capital.

**c. Appointment of Mr P.A.F.W. Elverding as a member of the Supervisory Board.**

In 2011, Mr W.K. Wiechers will resign from the Supervisory Board by rotation when he reaches the end of his term of appointment. Mr Wiechers has completed three four-year terms as a member of the Board.

The Supervisory Board is offering the General Meeting the opportunity to make recommendations to the Supervisory Board regarding filling this vacancy.

The press release of 3 March 2011 stated that if the General Meeting does not make any other recommendations, the Supervisory Board intends to propose that Mr P.A.F.W. Elverding be appointed to the Supervisory Board for a four-year period by the General Meeting on 20 April 2011.

The Supervisory Board has discussed the intended proposal, based in part on the report on the meeting with the candidate. The Supervisory Board has noted that Mr Elverding – as the former successful director of a major company – has a great deal of experience and expertise in relation to managing a large international organisation. During his long career he has also acquired substantial experience in various positions in relation to human resources. Because of his role as a supervisor, he is familiar with a number of sectors that are important to the Group. With his knowledge and experience, Mr Elverding will further strengthen the expertise available within the Supervisory Board and he will fit in well with the Board's profile.

The Central Works Council has indicated that it fully supports the proposal to put forward Mr Elverding for appointment to the Supervisory Board.

The information referred to in Book 2, Section 142, paragraph 3 of the Dutch Civil Code is posted on the Company's website, and it reads as follows:

After completing his law degree at the University of Amsterdam in 1972, Mr Elverding began his career in the health care sector. He then went on to work at Akzo Chemie Nederland and De Bijenkorf in various human resources positions. In 1981, he joined the management team of De Bijenkorf, assuming responsibility for human resources. In 1985, Mr Elverding joined DSM, serving in various management positions in different parts of the DSM Group with responsibility for human resources and general affairs. He was appointed to the DSM Executive Board in 1995 and became Chairman of the Executive Board in 1999.

Mr Elverding retired in 2007.

Mr Elverding currently holds the following positions: Chairman of the Supervisory Board at Océ, ING, Q-Park and Camille Oostwegel Holding, member of the Supervisory Board at SHV Holdings and FrieslandCampina and member of the Board of the Instituut GAK foundation.

Mr Elverding is a Dutch national and is 62 years old. He does not own any shares in the Company's capital.

#### **d. Reappointment of Mr W.K. Wiechers as a member of the Supervisory Board.**

The press release of 3 March 2011 also stated that if the General Meeting did not make any other recommendations, the Supervisory Board intends to propose that Mr Wiechers be reappointed to the Supervisory Board for a period of one year by the General Meeting on 20 April 2011.

The Supervisory Board is offering the General Meeting the opportunity to make recommendations to the Supervisory Board.

As the former director of a major company, Mr Wiechers has a great deal of relevant experience and expertise in relation to managing major organisations. His wide understanding of business matters and his technical background are also important to the Group. In addition, Mr Wiechers has extensive knowledge and experience in relation to the Company.

In a departure from the Dutch corporate governance code, which prescribes a maximum of three four-year terms, the Supervisory Board has good reasons for proposing that Mr Wiechers be reappointed to the Company's Supervisory Board for a period of one year.

In deciding to take this position, the Supervisory Board considered the fact that Mr Wiechers is currently Chairman of the Supervisory Board. The Supervisory Board considers it very important that its Chairman remain unchanged, if possible, for a longer period of time and has therefore concluded that it is preferable to defer the choice of a new Chairman by a year because of the large number of new appointments and expected other changes. The new members of the Supervisory Board would then have the time to familiarise themselves with the Group. The Supervisory Board therefore strongly advocates the reappointment of Mr Wiechers for a period of one year.

The Supervisory Board would like to emphasise that this proposed deviation from the maximum period of appointment should be seen as a temporary exception to the rule.

The Central Works Council has indicated that it fully supports the proposal to put forward Mr Wiechers for reappointment to the Supervisory Board.

The information referred to in Book 2, Section 142, paragraph 3 of the Dutch Civil Code is posted on the Company's website, and it reads as follows:

Mr Wiechers graduated in Technical Physics at Delft University of Technology. Mr Wiechers began his career in 1966 at KEMA in Arnhem where he held a number of positions, including Head of the Electrical Approvals Division, Deputy Director and Director. In 1987 Mr Wiechers joined the Board of Directors of PNEM (Provinciale Noord-Brabantse Electriciteits-Maatschappij) and he remained on the Board until 1997. In 1998 Mr Wiechers became Chairman of the Executive Board of the PNEM-MEGA Group and in 1999, after the merger with EDON, he became Chairman of the Executive Board of Essent, in which position he remained until his early retirement in 2003.

Mr Wiechers currently holds the following positions: Chairman of the Supervisory Board of Brabant Life Sciences Seed Funds (BLSF), member of the General Energy Council and Chairman of the committee of nuclear safety benchmarking experts for KCB (Borssele Nuclear Power Station). Mr Wiechers is a Dutch national and is 71 years old. He does not own any shares in the Company's capital.

Mr Wiechers was first appointed to the Supervisory Board in 1999 before being re-appointed in 2003 and 2007. Mr Wiechers was appointed as Vice-Chairman of the Supervisory Board in 2004 and as Chairman in 2007.

#### **Item 10**

##### **Adoption of the long-term benefit plan for the Executive Board.**

The long-term benefit plan for members of the Executive Board (2007-2010) expired at the end of 2010.

The Supervisory Board believes that the remuneration package for members of the Executive Board should include long-term rewards for improvements in addition to the fixed salary and annual variable remuneration.

The long-term benefit (LTB) plan is also designed to further reinforce the Executive Board members' commitment to the Group.

Accordingly, the Supervisory Board has chosen an LTB plan that rewards Executive Board members for contributing to the positive development of the BAM share price compared to alternative investments by shareholders in comparable enterprises.

LTBs are a standard form of remuneration for Executive Board members in both the Netherlands and the Group's other home countries. Most large companies in the Netherlands have a long-term incentive plan for their directors. The introduction of such a plan brings BAM's remuneration structure more into line with the market, therefore making it easier to recruit and retain directors.

The plan satisfies the prevailing requirements for an LTB, including the provisions of the Dutch corporate governance code.

The Supervisory Board believes that this LTB plan will be a powerful incentive to achieve the Group's objectives. The main features of the proposed plan are explained in more detail in a separate brochure for the purposes of this meeting.

The Central Works Council has stated that it supports the adoption of the LTB plan.

The General Meeting is requested to adopt the LTB plan, as long-term benefit within the existing remuneration policy.

The Supervisory Board strongly recommends that the shareholders adopt this LTB plan, as it believes that the plan is in their best interests.

#### **Item 11**

##### **Reappointment of PricewaterhouseCoopers as the external auditor charged with auditing the financial statements.**

The General Meeting of Shareholders is requested to appoint PricewaterhouseCoopers N.V. as the external auditor responsible for auditing the 2011 financial statements.

As part of its consideration of the 2010 Annual Report and Financial Statements, the Supervisory Board assessed the relationship with the external auditor, based on a report from the Executive Board and the Audit Committee. Based on this assessment, the Supervisory Board's good experiences 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 Supervisory Board sees no reason to propose to the shareholders that the external auditor be changed. It is therefore proposed to the General Meeting that PricewaterhouseCoopers Accountants N.V. should be reappointed as external auditor responsible for auditing the 2011 financial statements of Royal BAM Group.

#### **Item 12**

##### **Any other business.**

#### **Item 13**

##### **Closure of the meeting.**