

Royal BAM Group nv

Elements of the management services agreement of Mr Joosten

Personal details

Name	R.J.M. Joosten (Ruud)
Date of birth	21 november 1964
Nationality	Dutch
Start of employment	1 September 2020
Appointment to the Executive Board (CEO)	1 September 2020

The remuneration of Mr Joosten will be determined in accordance with the remuneration policy adopted by the general meeting.

Fixed remuneration

As of 1 September 2020, the fixed remuneration of Mr Joosten is €700,000.- gross per year.

Variable remuneration

The variable remuneration of Mr Joosten consists of a short-term incentive plan and a long-term incentive plan.

The short-term incentive depends on the realisation of predetermined measurable objectives. 70 per cent of the short-term incentive is based on financial objectives and 30 per cent is linked to non-financial objectives which are relevant for the Group's (long-term) success. Payout gradually increases with performance, starting with a payment of 35 per cent of the fixed annual remuneration at threshold performance, 55 per cent at target performance and potentially going up to 75 per cent when performance is excellent. Below threshold there will be zero payout.

To further strengthen the relationship with the interests of the shareholders, a long-term incentive plan applies to Mr Joosten. Each year, performance shares are conditionally awarded. The award value is 70 per cent of Mr Joosten's fixed annual remuneration. Performance is based on two financial objectives, being relative total shareholder return (TSR) and return on capital employed (ROCE) and one non-financial objective, being sustainability. After the three year performance period, the Supervisory Board will assess the extent to which the performance objectives have been achieved. This results in a vesting percentage for each of the three performance objectives, each determining one third of the vesting of the conditionally awarded performance shares. For excellent performance, the number of performance shares that vests may amount to a maximum of 150 per cent of the 'at target' number of performance shares. This percentage may be reduced to 50 per cent (on a sliding scale) for threshold performance and to zero below that. In accordance with the Dutch corporate governance code, the vesting date is followed by a two year lock-up period. Mr Joosten may not dispose of shares until the two year lock-up period has expired and the minimum requirement for the shareholding, being 100 per cent of the fixed annual remuneration, has been met. For more information, please see BAM's annual report.

Pension

Subject to shareholder approval during the General Meeting on 24 August 2020, Mr Joosten will receive a gross, age independent, uncapped flat-rate allowance from BAM Group equaling 22% of his fixed remuneration. From this allowance Mr Joosten needs to finance his own personal retirement savings (including survivor's pension and pension build-up during disability).

Miscellaneous

- A company car will be provided.
- As for all the other employees, the company offers a package of fringe benefits to the members of the Executive Board. This package includes such matters as 30 days paid leave per annum, healthcare and disability insurance, payment during illness, personal accident insurance and reimbursement of necessary business-related expenses.
- The company does not provide any share option schemes.
- The management services agreement does not include a change of control clause.

Duration and termination

Both the appointment as member of the Executive Board and the management services agreement apply up to the annual general meeting in 2024.

Each party may terminate the management services agreement early, per the end of a calendar month taking into account a notice period of three months.

If the company terminates the management services agreement before the end of the current appointment period other than for an urgent reason or if Mr Joosten is not reappointed as a member of the Executive Board after the current appointment period, Mr Joosten is entitled to a payment of maximum one time the fixed annual remuneration.