Rules of the Executive Board of Royal BAM Group nv

Article 1 Status and contents of the rules

1.1 These rules were adopted by the Executive Board of Royal BAM Group N.V. hereinafter, ‘the Company’, and are complementary to the rules and regulations applicable to the Executive Board under Dutch law or the Company's articles of association. A company controlled directly or indirectly by the Company is called ‘group company’. The Company and the group companies are hereinafter collectively called ‘BAM Group’.

1.2 These rules are based on the Dutch corporate governance Code (the “Code”) of December to the extent that the Code is relevant to the Company and has been adopted by the Company.

1.3 On 21 February 2013 the Executive Board has unanimously declared that:
A. it will comply with, and be bound by the obligations arising from, these rules to the extent that they apply to it and its members;
B. on appointment of new members it will cause such members to issue a declaration as referred to in a) above.

The Executive Board has executed the same declaration unanimously on 8 September 2004 and 2 November 2009 with respect to previous versions of these rules.

1.4 These rules have been brought to the attention of the members of the Central Works Council. These rules will be mentioned in the report of the Supervisory Board, which report will be part of the annual report. These rules will be published on the website of the Company.

1.5 Where these rules are inconsistent with Dutch law or the Company's articles of association, the articles of association shall prevail. Where these rules conform to the articles of association but are inconsistent with Dutch law, the latter shall prevail. If one or more provisions of these rules are or become invalid, this shall not affect the validity of the remaining provisions.

1.6 The first version of these rules have been approved by the Supervisory Board on 15 September 2004 and have come into force as from 1 October 2004. These rules have been amended as from 18 November 2009, which amendment has been approved by the Supervisory Board in its meeting on that date. The present rules have been amended with the approval of the Supervisory Board on 30 January 2013 and have come into force as from 1 January 2013.

Article 2 Responsibilities of the Executive Board

2.1 The Executive Board members shall be collectively responsible for the Company's management, the general affairs of the company's business and the general affairs of the group companies.

2.2 The members of the Executive Board shall divide their tasks by mutual consultation and subject to the Supervisory Board’s prior approval. Each member of the Executive Board shall be accountable to the Executive Board for the
fulfilment of his duties and must therefore report to the Executive Board on a regular basis and in such a manner as to give the Executive Board a proper insight in the performance of his duties, the foregoing also in view of the Executive Board’s collective responsibility.

2.3 Each member of the Executive Board shall have the right to receive any information about matters which he may deem useful or appropriate in connection with his collective responsibility for the Company’s management. He must consult with the other members of the Executive Board if the implementation of his duties affects the implementation of the duties of the other members of the Executive Board or if the significance of the matter requires consultation with the other members of the Executive Board.

2.4 The Executive Board as well as each member of the Executive Board is authorised to represent the Company. As regard to the authority in respect of bank and/or postal accounts, each member of the Executive Board shall be designated and furthermore such staff members as designated by the Executive Board. As regard to the authority in respect of bank and/or postal accounts two signatures shall be required for committing the Company.

2.5 Where the management of group companies is concerned, the Executive Board shall ensure that instructions to such management shall be based on a resolution of the General Meeting of those group companies.

2.6 In discharging its duties, the Executive Board shall be guided by the interests of the company and its business; it shall take into account the relevant interests of all those involved in the Company (including the Company’s shareholders). The Executive Board is responsible for the quality of its own performance.

2.7 The responsibilities of the Executive Board shall include:

A. determining the strategy and policy designed to achieve the objectives of BAM Group;
B. the achievement of BAM Group’s objectives;
C. the general state of affairs in and the results of BAM Group;
D. making up and controlling the risks connected to the business activities;
E. ensuring that effective internal risk management- and control systems are in place and reporting on this in the annual report;
F. maintaining and preparing the financial reporting process and facilitating the internal and external auditing process;
G. the financing of BAM Group;
H. complying with legislation and regulations;
I. complying with and maintaining the corporate governance structure of the Company;
J. publishing the corporate governance structure of the Company and any other information required under the Code, through the annual report, the Company’s website and otherwise;
K. preparing the annual accounts for adoption by the General Meeting;
L. formulating an outline policy on bilateral contacts with shareholders;
M. drawing up the annual operational plan and, every three years, a strategic agenda, which includes important capital investments of the Company;
N. giving advice in connection with the nomination of the external auditor of the Company and consultation with the Supervisory Board with respect to the instructions to the
external auditor for providing his services and the related remuneration;
O. compliance with best practice clause II.1.9 of the Code in case a response time has been invoked;
P. timely and closely involving the Supervisory Board in the takeover process in case a takeover bid for the company's shares is being prepared, announced or made;
Q. without delay discussing with the Supervisory Board the request of a competing bidder to inspect the company's records, in case of a takeover bid for the company's shares is being prepared, announced or made.

2.8 For the internal risk management and control systems the Company shall in any event employ the following instruments:
A. risk analyses of the operational and financial objectives of BAM Group;
B. a Code of conduct which should in any event be published on the Company's website;
C. guides for the layout of the financial reports and the procedures to be followed in drawing up these reports;
D. a system of monitoring and reporting.

2.9 Every three years, the Executive Board shall draw up a strategic agenda for BAM Group over the next three years. In addition, the Executive Board shall annually draw up an operational plan for the following year, including the budget for that year. Both the operational plan and the strategic agenda will be adopted after approval of the Supervisory Board.

2.10 Under the Supervisory Board's supervision the Executive Board shall be responsible for setting up and maintaining internal procedures ensuring that the Executive Board is aware of all important financial information, in order to safeguard timely, complete and accurate external financial reporting. To that effect, the Executive Board shall ensure that the financial information from group companies is reported directly to it and that the integrity of the information is not affected.

2.11 The Executive Board shall ensure that the annual report shall in any event contain the information required by law and pursuant to the Code. The Executive Board shall state in the annual report that the internal risk management and control systems are adequate and effective and shall substantiate this in a clear manner. In addition the Executive Board shall provide a description of:
A. the main risks related to the strategy of the company;
B. the design and effectiveness of the internal risk management and control systems for the main risks during the financial year; and
C. any major failings of the internal risk management and control systems which have been discovered in the financial year, any significant changes that have been made to these systems and any major improvements planned and a confirmation that these issues have been discussed with the audit committee and the Supervisory Board.

2.12 As regards financial reporting risks the management board states in the annual report that the internal risk management and control systems provide a reasonable assurance that the financial reporting does not contain any errors of material importance and that the risk management and control systems worked properly in the year under review. The
management board shall provide clear substantiation of this.

Article 3 Composition and independence of the Executive Board

3.1 The Executive Board consists of at least two members or more as determined by the Supervisory Board. At least one of the members of the Executive Board shall be a financial expert in the sense that he has relevant knowledge and experience of financial administration and accounting.

3.2 The Executive Board shall function independently from any instructions by third parties outside the Company.

3.3 An Executive Board member may hold no more than two supervisory directorships in enlisted companies on the stock exchange. An Executive Board member is not allowed to be chairman of a Supervisory Board of another enlisted company on the stock exchange. An executive board member shall not accept a supervisory directorship of another company without the Supervisory Boards' prior approval. Other important additional directorships and positions shall be reported to the Supervisory Board and should contribute to the Company's interests.

3.4 Each member of the Executive Board shall avoid any apparent conflict of interests between BAM Group and him/her and shall:
   A. not enter into competition with BAM Group;
   B. not demand or accept (substantial) gifts from BAM Group for himself/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
   C. not provide unjustified advantages to third parties to the detriment of BAM Group;
   D. not take advantage of business opportunities to which BAM Group is entitled for himself/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

Article 4 Chairman and vice-chairman of the Executive Board

4.1 The Supervisory Board shall appoint the chairman and the vice-chairman of the Executive Board.

The vice-chairman shall deputise for the chairman in his absence.

4.2 In addition to the co-ordination of the Executive Board's policy, the chairman shall be responsible for:
   A. ensuring that the Executive Board functions in an effective manner;
   B. ensuring that the operational plan and the strategic agenda are drawn up in a timely manner;
   C. supporting the other Executive Board members and mediating in any differences of opinion between them;
   D. ensuring that there is ample time for consultation, consideration and the other aspects of preparing decision-making in and minuting of the Executive Board meetings and the supervision of the implementation of resolutions;
   E. drawing up the draft annual accounts with the corresponding annual report, and the dispatch of these documents to the Supervisory Board;
F. chairing Executive Board meetings;

G. ensuring the timely and adequate provisions of information to the Executive Board members as necessary for the proper performance of their duties;

H. preparing decision-making in and minuting of meetings of the Executive Board with the managing boards of group companies and meetings with the heads of staff departments, designated by the Executive Board;

I. supervising the proper functioning of the external accountant and the submission of his report to the Supervisory Board;

J. maintaining intensive and frequent contacts with the Supervisory Board and in particular with its chairman, and informing the other Executive Board members in a timely and careful manner about the results of those contacts;

K. receiving and deciding on reports by employees of BAM Group of irregularities in BAM Group of a general, operational and financial nature, unless BAM Group's rules on whistleblowers provide that those employees report such irregularities to the chairman of the Supervisory Board;

L. ensuring the timely and adequate provision of information to the Supervisory Board and to the individual members of that board as necessary for the proper performance of their duties;

M. facilitating the annual evaluation and assessment of the functioning of the Executive Board members and the Executive Board by the Supervisory Board.

4.3 Within the framework of the above-mentioned special responsibilities the chairman of the Executive Board is authorised:

A. to call for all information he may require from any employee of BAM Group;

B. to call upon the members of the Executive Board, managing directors of the group companies and heads of staff departments of the Company to render account to the Executive Board.

Article 5 (Re-)appointment, term and resignation

5.1 Executive Board members shall be appointed by the Supervisory Board.

5.2 Executive Board members, appointed after the date of coming into force of these rules, shall be appointed for a maximum period of four years. They may be re-appointed for a term of no more than four years at a time.

5.3 Management positions within group companies held by Executive Board members are deemed to be positions derived from the position of a member of the Executive Board of the Company and these shall therefore be subject to these rules.

5.4 Executive Board members shall retire early in the event of inadequate performance, structural differences of opinion, incompatibility of interests and other instances where retirement is considered necessary at the discretion of the Supervisory Board.

Article 6 Executive Board meetings (agenda, teleconferencing, attendance, minutes)

6.1 In principal, the Executive Board shall hold one meeting per two weeks and whenever one or more of its members have requested a meeting. The meetings shall generally be held at the offices of the Company, but may also be convened elsewhere. In addition, meetings may be
held by telephone or videoconference provided that all participants can hear each other simultaneously.

6.2 The chairman, and in his absence the vice-chairman, shall chair the meeting. If both are absent, the meeting shall appoint one of the Executive Board members as chairman of the meeting.

6.3 The meetings shall be convened in due time by or on behalf of the chairman. Any other Executive Board member may request that the chairman convene a meeting, in which case the chairman is obliged to comply with such a request.

6.4 The chairman shall determine the agenda of each meeting. Other Executive Board members may submit to the chairman items to be discussed in the meeting. An item to be discussed which has not been submitted on time or is not supported by sufficient documentation shall not be placed on the agenda.

6.5 At the request of an voting member of the Executive Board and with the agreement of the majority of the other voting members of the Executive Board, urgent matters may be discussed immediately or at an additional meeting.

6.6 The voting members of the Executive Board must attend the meetings of the Executive Board. Where they are unable to attend and the minutes require explanation, the chairman of the meeting shall inform them about the resolutions passed and the discussions held in the meeting in question.

6.7 A voting member of the Executive Board can only be represented in meetings of the Executive Board by another voting member of the Executive Board. The representation must be evidenced by a proxy in writing.

6.8 The Executive Board shall appoint, from among its members or otherwise, a secretary of the Executive Board. The secretary takes responsibility for drawing up the minutes of Executive Board meetings.

6.9 The minutes of an Executive Board meeting shall be adopted in the next meeting. In evidence of their adoption the minutes will be signed by the chairman of the meeting. Adopted minutes shall be evidence of the proceedings. An extract of the minutes may be signed and forwarded by the secretary of the meeting, only after consultation with the chairman of the Executive Board.

**Article 7 Resolutions of the Executive Board**

7.1 The Executive Board may pass resolutions only if at least the majority of the voting members of the Executive Board are present or represented at the decision-making. If there is no majority in the meeting, the Executive Board is only entitled to pass resolutions in case the chairman is of the opinion that taking a resolution is requested in view of the interest of the Company and that no delay is permitted, in which case the decision involved will be mentioned in the next meeting and will be recorded in the minutes of that meeting. Members
of the Executive Board who have a conflict of interests as mentioned in article 10, do not participate in the discussions and in the decision-making with respect to a subject, in relation to which they have a conflict of interests.

7.2 Resolutions of the Executive Board may be passed outside a meeting, subject to (i) the condition that the relevant subjects of the resolution have been brought to the attention of all Executive Board members, (ii) none of the voting members have objected against this way of passing the resolution and (iii) all Executive Board members have taken part in the decision-making process. Members of the Executive Board who have a conflict of interests as mentioned in article 10 do not participate in the discussions and in the decision-making with respect to a subject, in relation to which they have a conflict of interests. Such a resolution will be either recorded in writing and signed by the chairman of the Executive Board with any received comments in writing attached to it or recorded in the minutes of the next meeting including any received comments in writing. The passing of such a resolution will be mentioned in the following meeting of the Executive Board.

7.3 Where possible, resolutions shall be passed by unanimous vote. If this is not possible, the resolution shall be passed by a majority vote. An abstention will not be considered as a vote. If there is a tie and the Executive Board consists of more than two members, the chairman of the Executive Board shall have a casting vote.

7.4 If there is insufficient consensus at the meeting on certain subjects, the chairman of the Executive Board may refer the pertaining subjects for further consideration.

7.5 The Supervisory Board is entitled to make a decision, in case all the members of the Executive Board have a conflict of interests as mentioned in article 10 and therefore no decision can be made by the Executive Board.

Article 8 Required approval of Executive Board’s resolutions

8.1 Without prejudice to the provisions of the law, the Company’s articles of association, the rules of the Supervisory Board and these rules, the following resolutions of the Executive Board shall require the approval of the Supervisory Board:

A. the issue, acquisition and cancellation of shares in and debentures issued by the Company or of debentures issued by a limited partnership or a partnership in which the Company is a fully liable partner;

B. the co-operation in the issue of depositary receipts of shares in the Company;

C. the application for the inclusion in or removal of the shares or depositary receipts for shares in and debentures issued by the Company from the official listing on any stock exchange;

D. entering into or terminating long-term joint ventures of the Company or a dependent company with other legal entities or companies or as a fully liable partner in a limited partnership or in a general partnership in the event that such joint venture or termination has far-reaching consequences for the Company;

E. the taking of holdings, with a value exceeding one-fourth of the issued share capital and the reserves of the Company, by the Company or by a dependent company in the capital of another company or the termination of such holdings as well as any far-reaching increases or decreases of such holdings;
F. investments involving an amount at least equal to one-fourth of the issued share capital plus reserves of the Company as per its balance sheet and explanatory notes;
G. the transfer of the company’s activities or a major part thereof to third parties;
H. a proposal to amend the Articles of Association;
I. a proposal to dissolve the Company;
J. a petition in bankruptcy and an application for a moratorium;
K. the termination of the employment of a substantial number of employees of the Company or of a dependent company at the same time or within a short period;
L. far-reaching changes in the employment conditions of a substantial number of employees of the Company or of a dependent company;
M. a proposal to reduce the issued share capital; and
N. all other resolutions of which the Supervisory Board in consultation with the Executive Board decides that these shall be subject to the approval of the Supervisory Board.

In the event that the Executive Board represents the company in any body of another company and without prejudice to the provisions under e, j and k of this paragraph, all resolutions of the Executive Board to vote on behalf of the Company in such body in favour of resolutions as described in this paragraph and relating to that other company shall also be subject to the approval of the Supervisory Board. However, no approval shall be required for subsidiaries of the Company having a value of less than one-fourth of the issued share capital and the reserves of the Company, as shown in its most recently adopted balance sheet with explanatory notes.

8.2 Furthermore the Executive Board shall submit to the Supervisory Board for approval:
A. the operational and financial objectives of BAM Group;
B. the strategy designed to achieve the objectives;
C. the parameters to be applied in relation to the strategy (for example in respect to the financial ratio’s);
D. corporate social responsibility issues that are relevant to the enterprise;
E. the annual operational plan and, every two years, the market plan; and
F. the transactions of the Company as mentioned in article 10.5.

8.3 Furthermore the Executive Board shall submit to the Supervisory Board for approval:
A. the invocation or not of a response time as set out in best practice clause IV.4.4 and II.1.9 of the Code;
B. any steps taken by the company in case of a takeover bid for the company’s shares is being prepared or announced or made;
C. the honouring or not of a request of a competing bidder to inspect the company’s records, in case of a takeover bid for the company’s shares is being prepared, announced or made.

8.4 Without prejudice to the provisions of the law, the Executive Board and the Supervisory Board shall require the approval of the General Meeting of resolutions regarding a significant change of the identity or character of the Company, including in any event:
A. transfer of the business or virtually all of the business to a third party;
B. entry into or termination of long-term co-operation by the Company or a subsidiary with another legal entity or partnership or as general partner with full liability in a limited or general partnership, if such co-operation or termination thereof is of far-reaching
significance for the Company;
C. acquisition or disposal of a participation by the Company or a subsidiary in the capital of another company the value of which equals at least a third of the amount of the assets according to the consolidated balance sheet with explanatory notes attached to the Company's annual accounts as most recently adopted.

**Article 9 Remuneration**

9.1 Within the scope of the remuneration policy adopted by the General Meeting, the Supervisory Board shall determine the remuneration of the members of the Executive Board, based on a proposal of the remuneration committee.

9.2 If the remuneration consists of a fixed and a variable part, this variable part shall be linked to previously determined, assessable and controllable targets, which must be achieved partly in the short term and partly in the long term, with a justifiable balance between the short and the long term.

9.3 Before drawing up the remuneration policy and determining the remuneration of individual Executive Board members, the Supervisory Board shall analyse the possible outcomes of the variable remuneration components and how they may affect the remuneration of the Executive Board members.

9.4 The Supervisory Board shall determine the level and structure of the remuneration of the Executive Board members by reference to the scenario analyses carried out and with due regard for the pay differentials within the enterprise.

9.5 In determining the level and structure of the remuneration of Executive Board members, the Supervisory Board shall take into account, among other things, the results, the share price performance, the overall financial position of BAM Group and non-financial indicators relevant to the long term objectives of BAM Group, with due regard for the risks to which variable remuneration may expose the enterprise.

9.6 The main elements of the contract a member of the Executive Board has agreed with the Company shall be made public immediately after it has been agreed. These elements shall in any event include the amount of the fixed salary, the structure and the amount of the variable remuneration component, any redundancy scheme and/or severance pay, any conditions of a change of control clause and any other remuneration components promised to members of the Executive Board.

9.7 The Supervisory Board is entitled to adjust the value of a in a previous year conditionally awarded variable remuneration, if, in its opinion, applying the award without amendment would result in an unreasonable and unintended outcome due to extraordinary circumstances during the period in which predetermined performance criteria have been or should have been achieved.

The Supervisory Board may recover from members of the Executive Board any variable remuneration awarded on the basis of incorrect financial or other data (clawback clause).

In case of new awards of variable remuneration to members of the Executive Board based on
quantified performance criteria, the Supervisory Board is entitled to adjust the criteria compared to the level of previous years, if it considers that, without such an adjustment, there would be an unreasonable outcome, also in relation to the remuneration policy adopted by the shareholders.

9.8 For these members of the Executive Board appointed after the date of coming into force of these rules, the maximum remuneration in the event of dismissal is one year’s salary (the ‘fixed’ remuneration component). If the maximum of one year’s salary would be manifestly unreasonable for a member of the Executive Board who is dismissed during his first term of office, such Executive Board member shall be eligible for a severance pay not exceeding twice his annual salary. The Supervisory Board may decide to award a further severance pay in the event of a dismissal of a member of the Executive Board with a long term employment within BAM Group.

9.9 Schemes and material changes therein whereby members of the Executive Board, management and other employees of BAM Group are remunerated in the form of shares or rights to subscribe for shares, shall be submitted to the General Meeting for approval. The acceptance of such a remuneration, the holding of shares and the exercising of rights to subscribe for shares by members of the Executive Board, shall be done in accordance with the schemes approved by the General Meeting.

9.10 Shares in the Company held by a member of the Executive Board are meant to be long term investments.

9.11 If the Company grants options to acquire shares to members of the Executive Board, management and other employees of BAM Group, it shall apply challenging performance criteria when doing so, and in any event the options should not be exercised in the first three years after they have been granted.

9.12 Shares granted to members of the Executive Board, management and other employees of BAM Group without financial consideration shall be retained for a period of at least five years or until at least the end of the employment, if this period is shorter. The number of shares to be granted shall be dependent on the achievement of clearly quantifiable and challenging targets specified beforehand.

9.13 The exercising price of options shall not be fixed at a level lower than a verifiable exchange price or a verifiable exchange price average in accordance with the official listing on one or more pre-determined days during a period of not more than five trading days prior to and including the day on which the option has been granted.

9.14 Neither the exercising price nor the other conditions regarding the granted options shall be modified during the term of the options, except in so far as prompted by structural changes relating to the shares or the Company in accordance with established market practice.

9.15 In the explanatory notes of the annual accounts the Company shall state the value of any
option granted to the members of the Executive Board, management and other employees of BAM Group, and it shall indicate how this value has been determined.

9.16 Unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the Supervisory Board, BAM Group shall not grant any personal loans to members of the Executive Board, guarantees or the like. No remission of loans shall be granted.

**Article 10 Conflict of interests**

10.1 Each member of the Executive Board shall immediately report any potential direct or indirect personal conflict of interests with the Company to the chairman of the Supervisory Board and to the other members of the Executive Board. A member of the Executive Board with such (potential) conflict of interests shall provide the chairman of the Supervisory Board and the other members of the Executive Board with all information relevant to such conflict, including information relating to his/her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.

10.2 Decisions to enter into transactions in which there are conflicts of interests with members of the Executive Board and the Company that are of material significance to the Company and/or to the relevant board member require the prior approval of the Supervisory Board. The chairman of the Supervisory Board shall ensure that all transactions in which there are conflicts of interests between a member of the Executive Board and the Company that are of material significance to the Company and/or to the relevant board member shall be published in the annual report, together with a statement of the conflict of interests and a declaration that the provisions of clauses 10.1, 10.2 first paragraph, 10.3 and 10.4 of these rules have been complied with.

10.3 In any event a member of the Executive Board shall have a conflict of interests that is of material significance to the Company and/or to that member, if:

A. he/she has personally a material financial interest in a company with which the Company intends to enter into a transaction;

B. he/she has a family law relationship (familierechtelijke verhouding) with a managing director of a company with which the Company intends to enter into a transaction;

C. he/she is a member of the managing or Supervisory Board of, or holds similar office with, a company with which the Company intends to enter into a transaction;

D. under applicable law, including the rules of any stock exchange on which the Company’s shares (or depositary receipts thereof) may be listed, such conflict of interests exists or is deemed to exist;

E. the chairman of the Supervisory Board has ruled at his/her sole discretion that such conflict of interests exists or is deemed to exist.

In the above mentioned events the provisions of clause 10.2 are applicable.

10.4 All transactions in which there is a conflict of interests between members of the Executive Board and the Company shall be agreed, if approved pursuant to article 10.2 to the extent that such an approval is required, in terms that are at least customary in the sector.
A member of the Executive Board shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he/she has a direct or indirect personal interest, which is in conflict with the interests of the Company. Discussions and decisions will be taken without the involved member of the Executive Board being present.

10.5 All transactions between the company and legal or natural persons who hold at least ten percent of the shares in the company shall be agreed on terms that are at least customary in the sector concerned. Decisions to enter into such transactions that are of material significance to the Company and/or to such persons require the approval of the Supervisory Board. Such transactions shall be published in the annual report, together with a declaration that the provision of this paragraph 10.5 has been observed.

Article 11 Complaints, whistle blowers

11.1 The Executive Board shall ensure that rules for whistleblowers will be introduced, which rules make it possible for employees to report alleged irregularities of a general, operational and financial nature in the Company to the chairman of the Executive Board or to an official designated by him/her, without jeopardising their legal position. Alleged irregularities concerning the functioning of members of the Executive Board shall be reported to the chairman of the Supervisory Board. The rules for whistleblowers shall in any event be published on the Company’s website.

Article 12 Securities and transactions in securities

12.1 Based on statutory regulations as set out in the Financial supervision Act (Wet op het financieel toezicht, Wft), the Company has adopted Privileged Information Rules, which rules apply to the members of the Executive Board. These Rules have been published on the Company’s website.

12.2 Articles (sub 7 and 8) of said Rules also contain a set of regulations containing rules governing ownership of and transactions in securities by members of the Executive Board and members of the Supervisory Board, other than those issued by the Company. These regulations stipulate that a member of the Executive Board shall provide the compliance officer periodically, but in any event at least within one month after the end of each quarter, of any changes in his holding of securities in Dutch listed companies that operate in the same area or related areas as BAM Group, including in any case companies that operate as subcontractor, advisor or supplier of the building, construction and mechanical and electrical industry. A member of the Executive Board who invests exclusively in so enlisted investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement, is exempted from compliance with this last provision.

Article 13 Relationship with the Supervisory Board

13.1 The Executive Board shall timely provide the Supervisory Board with all relevant information on all facts and developments concerning BAM Group which the Supervisory Board may need for functioning as required and for properly carrying out its duties. Members of the Executive Board, if invited, are required to attend meetings of the Supervisory Board.
13.2 In the event that the Supervisory Board deems it necessary to acquire information from employees and external advisors of BAM Group, the Executive Board sees to it that the necessary funds will be made available.

13.3 The Executive Board shall quarterly provide the Supervisory Board with a report in writing prepared in a format as agreed between both boards, setting out detailed information on the general business of BAM Group in that quarter, with special emphasis on financials and the developments in the relevant markets.

13.4 The Executive Board and the audit committee shall report on their dealings with the external auditor to the Supervisory Board on an annual basis, including on his independence in particular and on the desirability of rotating the responsible partners of an external audit firm that provides audit services.

13.5 At least once every four years, the Executive Board shall together with the Supervisory Board and the audit committee conduct a thorough assessment of the functioning of the external auditor within the various entities.

13.6 Notwithstanding the provisions of the previous clauses the Executive Board shall provide the Supervisory Board annually with (i) a recent version of the main features of the strategy, (ii) the operational plan for following year, (iii) an overview of the general and financial risks and (iv) an assessment of the structure and operation of the internal risk management and control systems, as well as any significant changes and major improvements planned thereto; the Executive Board shall annually discuss these items with the Supervisory Board and the items (ii) and (iv) with the audit committee.

13.7 From time to time the Executive Board shall provide the Supervisory Board with copies of reports of analysts with respect to the Company and its relevant markets.

13.8 In the event that the Company is subject to a ‘rating process’, be such called or uncalled for, the relevant reports will be submitted to the Supervisory Board by the Executive Board.

13.9 The Executive Board and each member of the Executive Board will comply with, and be bound by the obligations arising from, the rules governing the Supervisory Board’s principles and best practices to the extent that they apply to it and its members.

Article 14 Relationship with the shareholders

14.1 The general meetings of shareholders shall be attended by the members of the Executive Board together with the members of the Supervisory Board, unless they are prevented from attending on serious grounds or the general meeting has expressed the wish to meet without the presence of the Executive Board or a member of the Executive Board.

14.2 The Executive Board shall provide the general meeting with any information it may require, unless important interests (zwaarwegende belangen) of the Company or any law, rules or regulations applicable to the Company prevent it from doing so. The Executive Board shall specify the reasons for invoking such important interests.
14.3 The Executive Board is, as part of the annual report, accountable for the corporate governance structure of the Company and complying with this structure to the General Meeting.

The Executive Board shall ensure that a broad outline of the corporate governance structure of the Company shall be explained in a separate chapter of the annual report, partly by reference to the principles mentioned in the Code. In this chapter the Executive Board shall expressly indicate to what extent the Company adheres to the best practice provisions in the Code and, if it does not do so, provides a sound motivation for such a deviation.

The Executive Board shall submit each substantial change in the corporate governance structure of the Company and in complying by the Company with the Code to the General Meeting for discussion under a separate agenda item.

14.4 The Executive Board shall inform the General Meeting by means of a ‘shareholders circular’ of all facts and circumstances relevant to the approval, delegation or authorisation to be granted as required by law or the articles of association.

14.5 If a serious private bid is made for a group company, business unit or a participating interest and the value of the group company, business unit or a participating interest exceeds the threshold referred to in the applicable article of the Dutch Civil Code, and such bid is made public, the Executive Board of the Company shall, at its earliest convenience, make public its position on the bid and the reasons for this position.

14.6 The Executive Board shall provide a survey of all existing or potential anti-take-over measures in the annual report, and shall also indicate in what circumstances it is expected that these measures may be used.

**Article 15 Relationship with the works council**

15.1 The Executive Board nominates one of its members as ‘bestuurder’ in the sense of the law on works councils (Wet op de Ondernemingsraden). The nominated member of the Executive Board shall attend the meetings with the central works council (overlegvergaderingen). The nominated member of the Executive Board shall attend also the meetings with the works council of the holding organisation of the Company as ‘bestuurder’, unless the Executive Board nominates one of its other members.

15.2 Once a year an informal meeting will take place between the Supervisory Board, the Executive Board and the central works council.

**Article 16 Confidentiality**

16.1 Discussions of the Executive Board are confidential. Members of the Executive Board shall treat all information and documentation acquired within the framework of their position as member of the Executive Board with the necessary discretion and with the appropriate secrecy.

16.2 Announcements referring to discussions of the Executive Board will be made exclusively by or in consultation with the chairman of the Executive Board.
16.3 After their resignation from the Executive Board, members of the Executive Board shall keep available to the chairman of the Executive Board all documentation regarding the discussions of the Executive Board.

**Article 17 Non-compliance, amendment**

17.1 Without prejudice to the provisions of article 1.4 and 14.3 and subject to the Supervisory Board’s prior approval, the Executive Board may occasionally decide not to comply with and adhere to these rules pursuant to an Executive Board resolution to that effect. Such resolution shall be referred to in the Executive Board’s annual report.

17.2 Without prejudice to the provisions of article 1.4 and 14.3 and subject to the Supervisory Board’s prior approval, these rules may be amended by resolution of the Executive Board to that effect. Such resolution shall be referred to in the Executive Board’s annual report.

**Article 18 Governing law, jurisdiction and language**

18.1 These rules shall be governed by and construed in accordance with the law of the Netherlands.

18.2 The courts of Utrecht, the Netherlands, shall have exclusive jurisdiction to settle any dispute arising from or in connection with these rules.

18.3 These rules are a translation of a Dutch version. In case of discrepancies, the Dutch version of these rules prevails.

Adopted by the Executive Board in its meeting of 21 February 2013.

N.J. de Vries  
Chairman of the Executive Board

T. Menssen  
Member of the Executive Board

M.J. Rogers  
Member of the Executive Board

R. P. van Wingerdan  
Member of the Executive Board

Approved by the Supervisory Board on 30 January 2013

P.A.F.W. Elverding  
Chairman of the Supervisory Board