

## **Additional information regarding item 10 of the agenda for the Annual General Meeting, to be held on Wednesday 14 April 2021 at 14.00 CET**

As described in item 10 of the agenda for the Annual General Meeting, the Supervisory Board of Royal BAM Group nv proposes to re-appoint Ernst & Young Accountants LLP ('EY') as the external auditor responsible for auditing the 2022 financial statements. Following the convocation of the meeting and publication of the agenda on 2 March 2021, the Company has received requests for information regarding the position of Mr Guus van Eimeren as signing partner of EY.

By means of this memorandum the Company wishes to provide further information regarding the considerations that have been taken into account leading to the decision to propose to re-appoint Ernst & Young Accountants LLP ('EY') as the external auditor responsible for auditing the 2022 financial statements, in light of the recent reprimand issued by the Audit Chamber (disciplinary court) in Zwolle (Netherlands) against EY's signing partner for the Company, Mr Guus van Eimeren.

The reprimand relates to the role of Mr Van Eimeren in the review of the 2012 annual accounts audit of Royal Imtech nv. At the time, Mr Van Eimeren worked at KPMG. The Audit Chamber concluded that Mr Van Eimeren has acted on certain aspects of this audit contrary to the fundamental principles of expertise and care and of professional conduct in fulfilling his role as engagement quality review partner (i.e. overseeing the work of the signing partner). Mr Van Eimeren has appealed against the Chamber's decision.

In order of severity, the Audit Chamber can take the following measures: warning, reprimand and suspension (temporary or permanent). In case of a warning or reprimand, the respective auditor can exercise his/her profession without any restrictions.

Since 2014, Mr Van Eimeren works at EY. Following the verdict of the Audit Chamber, the Audit Committee of the Supervisory Board has requested EY to share their conclusion regarding Mr Van Eimeren following the reprimand. EY has subsequently stated that in their view the reprimand does not negatively affect the current and future functioning of Mr Van Eimeren. EY bases their conclusion on the following:

- the fact that the case dates back to 2012;
- the content of the verdict;
- the quality track record of Mr Van Eimeren including 'exceed expectations' ratings on quality as part of his performance reviews in the last three years and
- positive outcomes of (two) extensive internal quality reviews.

During his period with EY, Mr Van Eimeren was not subject of review by either the Dutch or US financial authorities (AFM and PCAOB, respectively).

Since EY has started as external auditor of BAM in 2016, the firm has been evaluated positively. The same holds true for Mr Van Eimeren who started as signing partner in 2019. In fact EY has been positively evaluated for their professional critical attitude and it was noted that Mr Van Eimeren displayed the right balance between audit firmness and business pragmatism. His considerable contribution - as a sparring partner - to the improvement of the Company's control environment was clearly recognised.

The chairman of the Supervisory Board and chairman of the Audit Committee as well as the members of the Executive Board have met separately with Mr Van Eimeren in order to discuss whether the latter

can continue as signing partner. In both meetings Mr Van Eimeren stated that he is confident that he can effectively continue as signing partner in the existing constructive manner.

Subsequently the Audit Committee extensively evaluated, whether BAM can continue with Mr Van Eimeren as signing partner.

Taking into account the following considerations:

- Mr Van Eimeren has proven to be a valuable sparring partner who has made a substantial contribution in improving the Company's control environment;
- The strong track record of Mr Van Eimeren at EY since 2014;
- The positive rating of Mr Van Eimeren's performance in the annual evaluations since his appointment as signing partner at BAM in 2019;
- The feedback received in the discussions with EY and Mr Van Eimeren respectively;
- The fact that in 2012 Mr Van Eimeren was involved as engagement quality review partner (i.e. not as a signing partner);
- The fact that a reprimand does not prohibit an accountant to exercise his/her function;
- The long period of time since the events (nine years),

the Audit Committee came to the conclusion that there are no compelling reasons not to continue with Mr Van Eimeren as the custodian of the audit quality which the Company seeks. This position is supported by the full Supervisory Board and the Executive Board.