



## POSITION STATEMENT

17 September 2015

Relating to the recommended cash offer by Renaissance Infrastructure B.V. (the "**Offeror**"), an indirect wholly-owned subsidiary of RC Rönnesans İnşaat Taahhüt A.Ş. ("**Renaissance Construction**"), for all the issued and outstanding depository receipts issued for ordinary shares in the share capital of Ballast Nedam N.V. (the "**Company**").

This position statement is published in accordance with article 18 paragraph 2 and Annex G of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*, as amended from time to time, the "**Takeover Decree**").

The extraordinary general meeting of the Company will be held at 14.00 hours, CET, on 30 October 2015 at Ringwade 71, Nieuwegein, the Netherlands.

## IMPORTANT INFORMATION

This position statement has been published by the Company for the sole purpose of providing information to its depositary receipt holders ("**Depositary Receipt Holders**") on the recommended public cash offer by the Offeror for all issued and outstanding depositary receipts issued for ordinary shares in the share capital of the Company ("**Depositary Receipts**") at an offer price, cum dividend, of EUR 0.30 in cash per Depositary Receipt ("**Offer Price**"), as required pursuant to article 18 paragraph 2 and Annex G of the Decree (the "**Position Statement**").

Reference is made to the offer memorandum, as approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) relating to the Offer, as made available by the Offeror on 17 September 2015 (the "**Offer Memorandum**"). Any capitalised term in this Position Statement has the meaning attributed to it in the Offer Memorandum, unless defined in this Position Statement. Any reference in this Position Statement to a defined term in plural form constitutes a reference to that defined term in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form will be deemed to have been made in this Position Statement and the provisions will be applied as if those changes had been made.

In relation to the Offer, the Company will hold an extraordinary general meeting of shareholders, as described in Section 5 of this Position Statement, at 14.00 hours, CET, on 30 October 2015 at Ringwade 71, Nieuwegein, the Netherlands.

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities to any person in any jurisdiction. This document is not for release, publication or distribution, in whole or in part, in or into Canada or the United States of America.

The information included in this Position Statement reflects the situation as of the date of this Position Statement. The Company does not undertake any obligation to publicly release any revisions to this information to reflect events or circumstances after the date of this document, except as may be required by applicable securities laws or by any appropriate regulatory authority. The Company accepts responsibility for the information contained in this Position Statement. Copies of this Position Statement can be obtained free of charge via the website of the Company ([www.ballast-nedam.com](http://www.ballast-nedam.com)).

This Position Statement includes "forward looking statements" including statements about the expected timing and completion of the Offer. Forward looking statements involve known or unknown risk and uncertainty because these statements relate to events and depend on circumstances that all occur in the future. Generally, words such as "may", "should", "aim", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward looking statements. Although the Company believes the expectations reflected in such forward looking

statements are based on reasonable assumptions and to the best of its knowledge and beliefs, as of the date of this Position Statement, are true and accurate in all material respects, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. Any such forward looking statements must be considered, together with the fact that actual events or results may vary materially from such forward looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Company does business, to competitive developments or risks inherent to the Company's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting the Company.

This Position Statement is governed by the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Position Statement. Accordingly, any legal action or proceedings arising out of or in connection with this Position Statement may be brought exclusively before those courts.

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## 1 LETTER TO SHAREHOLDERS AND DEPOSITARY RECEIPT HOLDERS

Nieuwegein, 17 September 2015,

Dear Shareholder and Depositary Receipt Holder,

By means of a joint press release published on 22 July 2015, the Company and Renaissance Construction announced that they reached agreement in connection with an intended public offer by Renaissance Construction for all Depositary Receipts. On 9 September 2015, the Company and Renaissance Construction announced certain amendments to the terms of the Offer.

Pursuant to the Offer, Depositary Receipt Holders who validly tender their Depositary Receipts under the Offer will receive the Offer Price if the Offer is declared unconditional. The Offer Price is cum dividend.

Today we publish our Position Statement and the Offeror will publish its Offer Memorandum. We find it important to share with you our considerations, views and recommendations with respect to the Offer in this Position Statement and at the upcoming EGM.

The Board of Management and the Supervisory Board (respectively the "**Board of Management**" and the "**Supervisory Board**" and together the "**Boards**") have followed a thorough process and have given careful consideration to determine the best strategic option for the Company. During this process, which is outlined in this Position Statement, we received extensive advice from our financial and legal advisors.

In this Position Statement and at the EGM we will inform you on, among other things, the details of the Offer, the process that preceded the agreement with Renaissance Construction, a review of the Offer in the light of the interests of all stakeholders of the Company, including the shareholders and Depositary Receipt Holders, and our full support for and unanimous recommendation of the Offer.

Based on the rationale as described in this Position Statement, the Board of Management and the Supervisory board believe that the Offer is in the best interest of the Company and all its stakeholders, including its shareholders and Depositary Receipt Holders.

We look forward to welcoming you at the EGM and discussing the Offer and the Merger with you.

Yours sincerely,

Erik van der Noordaa  
(CEO)

Leo van Doorne  
(Chairman of the Supervisory Board)

## 2 DECISION-MAKING BY THE BOARDS

### 2.1 Background: strategy and performance 2012 – 2015

As one of the largest construction companies in the Netherlands, the Company has been severely impacted by the developments in the Dutch construction industry in the period 2012 through 2015. The Dutch building market and infrastructure markets showed no or limited growth and the Dutch market has been quite competitive, which has resulted in pressure on the Company's revenues. In combination with major project overruns primarily on the construction of the A2 and the A15 (“**A15/MaVa**”), the Company issued a profit warning in July 2012, after realising an operating profit of EUR 4 million during the first half of 2012.

Over 2013 and 2014 the Company executed a rebalancing strategy that included necessary additional restructuring measures, further portfolio optimisation and a program to accelerate improvements. The Company repositioned its two major divisions BNBO and INFRA, including the execution of a divestment programme to focus its organisation and restore profitability, liquidity and solvency.

The divestment programme included:

- divestment transport truck activities;
- divestment sand stone quarry Yvoir;
- divestment Van Leeuwen Drillings;
- divestments Bontrup;
- divestment Phoenix Recycling (UK); and
- divestment CNG Net/LNG 24.

In June 2014, the Company secured refinancing through a rights issue of EUR 30 million and a financing package of EUR 80 million.

In the course of 2014, two profit warnings were issued. In June 2014, the Company issued a profit warning as the Company expected to realise a net loss of EUR 43 million in the first half of 2014. Major contributor to this loss was the A15/MaVa project.

On 6 October 2014 an additional profit warning was issued by the Company as the cost overrun on the A15/MaVa and A2 project kept increasing. The

Company sold Offshore, including the Svanen vessel, to van Oord in the beginning of 2015.

In April 2015, a second refinancing was announced through a rights issue of EUR 20 million, loans of EUR 83 million and guarantee facilities.

On 1 May 2015 the Company announced its financial results for the year 2014. The total net loss over 2014 exceeded its earlier stated level of EUR 45 million to an amount of EUR 103 million.

Then finally on 9 September 2015, the Company announced a further deterioration of financial results by an amount of approximately EUR 20 million.

Although the Company has benefited from its rebalancing strategy, and financing has been secured, long term financial goals have not yet been met. In addition, market circumstances remain challenging and the Company lacks the liquidity and solvency to invest in its core markets to achieve its long term goals.

In the absence of a sufficiently high solvency ratio, some competitors of the Company have a stronger position to invest and absorb potential project overruns. The Company has therefore a limited capability to strengthen its competitive position through more healthy margins, better growth prospects and adequate financials means for investments.

## **2.2 Review of strategic options**

In light of the above a review of strategic options was initiated in the second half of 2014, through a structured process led by the Board of Management in close consultation with and under supervision of the Supervisory Board, the Board of Management requested KPMG Corporate Finance (“**KPMG**”) to assist in reviewing the possible options going forward for the Company. The review focused on the question which option would best serve the interest of all stakeholders of the Company and would maximise long term value creation potential.

The Company identified 12 possible strategic options varying from a merger or sale of the Company as a whole or in parts to termination of specific activities in one or more of its divisions.

The Boards met frequently to discuss and explore each alternative. The Boards further carefully evaluated which of the various alternatives would be most beneficial to the Company and its stakeholders.



Out of 12 options the Company selected four alternatives (i.e. merger or sale of the Company as a whole, stand-alone (status quo), slim down and split sale) that were considered in further detail, of which following careful consideration a merger or sale of the Company as a whole received highest priority.

The Company's rationale was to improve its position in the Dutch market and provide a platform for further growth, financial stability, scalability for further innovations and operational excellence and improve efficiency and reduce operating costs.

In order to find the best partner for the Company, a broad range of companies has been evaluated based on rationale, strategic fit, financial position and transaction feasibility.

A longlist of 119 potential partners was assembled of which 18 in the Netherlands, 42 in Europe and 59 outside Europe.

After further consideration and analysis by the Board of Management and the Supervisory Board, it was decided to approach certain selected strategic parties in the fourth quarter of 2014 in order to test their willingness and ability for a partnership with the Company.

### **2.3 Process**

As a simultaneous process to the refinancing process of the Company, the Company, assisted by its advisors, carefully selected a shortlist of 12 companies to be approached by the Company or resulting from an approach from potential buyers themselves. Although some of the contacts led to initial discussions with potential partners, Renaissance Construction proved to be the most seriously interested party and willing to engage in further discussions. A second potential party also indicated to be interested but did not follow through at that time.

In October 2014, the Company and Renaissance Construction had their first discussions on a potential merger. An important consideration for the Company was that Renaissance Construction approached the Company with a strong interest in acquiring the Company as a whole. In addition, Renaissance would provide access to international markets, which could result in decreased exposure of the Company to the challenging Dutch construction market.

Although the Company and Renaissance Construction remained in close contact, the deterioration of financial results made it necessary for the Company to prioritise and focus on securing the refinancing package with the banks. This financing agreement was agreed in principle and announced in April 2015. As of that moment, the Company started a more formal process, in

which the earlier interested party also actively participated. In addition to KPMG, acting as financial advisor to the Company in the process, the Supervisory Board of the Company retained Leonardo & Co as its own independent financial advisor.

After announcement of the refinancing agreement with the banks, the process was re-ignited and on 19 May 2015 the Company issued a press release announcing that it was in discussions with a number of parties in relation to a potential offer for the Company.

#### **2.4 Regular process: two interested parties**

Two parties proved to be serious and willing to engage in further discussions with the Company. An offer made by a third potential investor was considered not to be sufficiently attractive for the Company and its stakeholders, including Depositary Receipt Holders, for a variety of reasons. Renaissance Construction submitted a non-binding offer for all of the outstanding ordinary share capital of the Company on 5 June 2015. After a thorough review, the Board of Management and the Supervisory Board concluded that the offer by Renaissance Construction provided an acceptable basis for the Company to proceed to the next phase of the process.

On 9 June 2015, the second interested party submitted a non-binding offer letter to make a substantial investment into the Company. This offer letter was followed up with a number of improvements and clarifications of the offer.

Both potential buyers then performed due diligence, including access to key personnel. When discussions with Renaissance Construction were in the final stage, the Company decided to inform the second potential buyer that the Company would put the process with them on hold to try to reach an arrangement with the preferred buyer. The Boards considered Renaissance Construction to be the preferred party based on the interests of the Company and all its stakeholders, including Depositary Receipt Holders, indicating that both financial and non-financial terms were perceived to be superior with Renaissance Construction.

#### **2.5 Considerations by the Boards**

The Board of Management and the Supervisory Board, in close consultation with their financial and legal advisors, have gone through a diligent decision-making process. To ensure a focused process two transaction committees (the "**Transaction Committees**") were formed. One Transaction Committee comprised of Mr J.S.T. Tiemstra and Ms C.M. Insinger, both members of the Supervisory Board, Mr P. van Zwieten, and Mr E. van der Noordaa, both members of the Board of Management, and Mr. O.P. Padberg, Company

secretary. The other Transaction Committee was formed separately by the Supervisory Board in order to intensify its supervision and comprised of Mr J.S.T. Tiemstra and Ms C.M. Insinger. Both Transaction Committees included representatives of the financial advisor of the Company, KPMG Advisory, and the legal advisor of the Company, De Brauw Blackstone Westbroek N.V., representatives of the financial advisor of the Supervisory Board, Leonardo, and the legal advisor of the Supervisory Board, NautaDutilh N.V.

In the process the following aspects were, amongst others, carefully considered: the strategic rationale for a combination of the Company and Renaissance Construction and the continuity of the Company's business; the interests of the Depositary Receipt Holders, the employees, the clients and other stakeholders of the Company; the financial aspects of the Offer; the protection of minority Depositary Receipt Holders; non-financial covenants between the Company and Renaissance Construction; integration of the combined businesses; governance and the structure of the combined businesses after completion of the Offer; conditions upon which completion of the Offer could take place; likelihood of completion of the Offer; and potential competing interest from third parties. In this decision-making process the interests of the Company and all its stakeholders were constantly monitored and carefully taken into account by the Boards and the Transaction Committees specifically.

The Company anticipates that full integration of its business with the Renaissance Construction business will deliver substantial operational, commercial, organisational and financial benefits. Such benefits could not, or only partially, be achieved if the Company were to continue as a standalone entity. Specifically, access to foreign markets, leveraging on the strong current position of Renaissance Construction is expected to have a significant positive impact on the Company's business. In addition, the Boards considered that the Offer, which was amended as a result of the further deterioration of the financial results of the Company announced on 9 September 2015, including the Capital Contribution the Offeror committed to, is vital for the continuity of the Company and in the best interest of the Company and its stakeholders.

## **2.6 Undertaking by large shareholder**

When the discussions between the Company and Renaissance Construction were at a stage where it was deemed necessary to approach the Company's major shareholder, Navitas Capital was invited to a meeting, subject to a confidentiality and standstill obligation. After being informed by the Boards on the discussions between the Company and Renaissance Construction on the contemplated Offer, Navitas Capital had further negotiations with Renaissance Construction, leading to an agreement on the purchase by Renaissance

Construction of 3,930,567 Depositary Receipts from the Company's largest Depositary Receipt holder, Navitas Capital, representing approximately 19.99% of all issued Depositary Receipts, for a consideration per Depositary Receipt equal to the initial offer price of EUR 1.55. Following settlement of this transaction and subsequent open market transactions Renaissance Construction currently holds 5,703,575 Depositary Receipts, representing approximately 29% of all issued Depositary Receipts.

## **2.7 Fairness opinions**

On 21 July 2015 KPMG issued a fairness opinion to the Company and Leonardo issued a fairness opinion to the Supervisory Board, and both have opined that the initial offer price of EUR 1.55 is fair to the Depositary Receipt Holders from a financial point of view (the "**Fairness Opinions**"). At the time of announcement of the deteriorating results of the Company at 9 September 2015, it was communicated that the initial offer price of EUR 1.55 was amended to EUR 0.30 per Depositary Receipt. In light of these changing circumstances at the Company and the amended Offer Price, KPMG issued a fairness opinion to the Company and Leonardo issued a fairness opinion to the Supervisory Board. Both have opined that, in light of the new developments with deteriorating results as mentioned in the press release of 9 September 2015, the Offer Price is fair to the Depositary Receipt Holders from a financial point of view. Reference is made to these Fairness Opinions as attached to this Position Statement as Schedule 1 and Schedule 2.

## **2.8 Merger Agreement**

After careful and extensive deliberation by the Boards and in consultation with their respective financial and legal advisors, the Board of Management unanimously resolved to enter into a merger agreement with Renaissance Construction (the "**Merger Agreement**") and the Supervisory Board unanimously approved such resolution. Subsequently, the Merger Agreement was executed on 21 July 2015 by the Company and Renaissance Construction representatives.

## **2.9 Announcement**

On 22 July 2015, before opening of the Dutch stock exchange, the intention of the Company and Renaissance Construction to join forces and the signing of the Merger Agreement was publicly announced by means of a joint press release, followed by a press conference and analyst and investor meeting.

## 2.10 Amendment Agreement to the Merger Agreement

On 4 September 2015, the Company informed the Offeror that it would incur material additional losses of approximately EUR 20 million, which caused the Offeror to invoke the "No Material Adverse Change" Commence Condition as included in the Merger Agreement.

Discussions between the Company and the Offeror took place on a possible continuation of the Offer. On 8 September 2015, the Offeror and the Company agreed to continue the Offer on the terms agreed in the Merger Agreement as amended by an amendment agreement (the "**Amendment Agreement**"). At the same time, the Company and the Offeror reached agreement with the Company's banks ING, Rabobank and RBS (the "**Bank Syndicate**") in respect of certain changes to the Company's financing arrangements.

On 9 September 2015, the Offeror and the Company jointly announced the amended terms of the Offer.

## 3 FINANCIAL ASSESSMENT OF THE OFFER

The initial offer price, as announced on 22 July 2015, was at the time set at EUR 1.55 per tendered Depositary Receipt. Due to the recent developments, the Offer Price as announced on 9 September 2015 was set at EUR 0.30 per Depositary Receipt.

The Offer that was announced on 9 September 2015 valued 100% of the issued and outstanding Depositary Receipts at approximately EUR 6 million.

The Boards considered a number of key financial aspects associated with the Offer as described in the following paragraphs.

### 3.1 Premium to Market Price

The initial offer price of EUR 1.55 (cum dividend) in cash per Depositary Receipt represented a premium of approximately:

- 29.2% to the closing price per Depositary Receipt on Euronext Amsterdam on 18 May 2015 (the date before the announcement by the Company that it was conducting exploratory discussions with several foreign parties on the possibilities for a merger or takeover of the Company; the "**Reference date**").
- (6%) to the closing price per Depositary Receipt on Euronext Amsterdam on 21 July 2015 (the last trading date prior to the announcement of preliminary interest in the Company on 22 July 2015);

- (5.7%) to the average closing price per Depositary Receipt on Euronext Amsterdam for the three (3) months prior to and including 21 July 2015;
- (32.8%) to the average closing price per Depositary Receipt on Euronext Amsterdam for the six (6) months prior to and including 21 July 2015; and
- (44.1%) to the average closing price per Depositary Receipt on Euronext Amsterdam for the twelve (12) months prior to and including 21 July 2015.

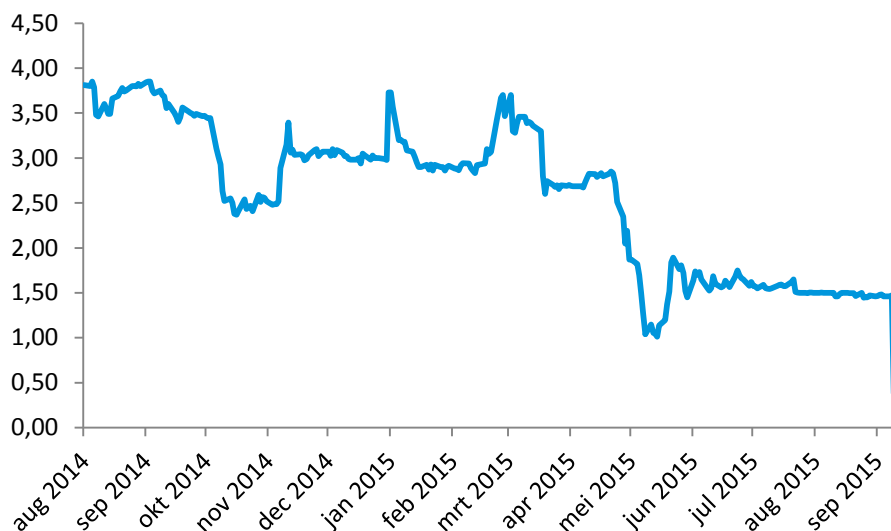
By comparison, the median premium to the unaffected share price (closing price one day prior to the earlier of transaction announcement or material, public speculation of a transaction, if any) is 17% for public cash offers for 100% of the share capital of Dutch companies listed on Euronext Amsterdam with equity values below EUR 500 million that were announced and completed, or are pending completion, in the last five (5) years to the Reference Date.

The Offer Price of EUR 0.30 (cum dividend) in cash per tendered Depositary Receipt represents a discount of approximately:

- 75.0% to the closing price per Depositary Receipt on Euronext Amsterdam on 18 May 2015 (the date before the announcement by the Company that it was conducting exploratory discussions with several foreign parties on the possibilities for a merger or takeover of the Company);
- 81.8% to the closing price per Depositary Receipt on Euronext Amsterdam on 21 July 2015 (the last trading date prior to the announcement of preliminary interest in the Company on 22 July 2015);
- 81.7% to the average closing price per Depositary Receipt on Euronext Amsterdam for the three (3) months prior to and including 21 July 2015;
- 87.0% to the average closing price per Depositary Receipt on Euronext Amsterdam for the six (6) months prior to and including 21 July 2015; and
- 89.2% to the average closing price per Depositary Receipt on Euronext Amsterdam for the twelve (12) months prior to and including 21 July 2015.

The initial offer price of EUR 1.55 represented a higher premium than the Offer Price, but the initial offer price was established before the material additional losses were known.

### 3.2 Depository Receipt price development of the Company



### 3.3 Valuation methodologies

The Company has applied a range of valuation methodologies and financial analyses for various scenarios that are customarily used towards their financial assessment of the Offer. These included amongst others:

- Discounted cash flow sum of the part analysis;
- Comparable transaction multiples analysis;
- Comparable company multiples analysis;
- Analyst reports; and
- Depository Receipt price analysis.

#### 3.3.1 DCF analyses

The financial advisers to the Company have based a comprehensive discounted cash flow analysis on both the most recent financial forecasts as agreed with the banks (“bank case”), and on the most recent business planning exercise for all component parts of the Company. This “sum of the parts” analysis was comprised of valuation analyses of the following individual components of the Company:

- Infra Division
- BNBO (Building and Development Division)
- S&T (Supplies and Specialised Companies)

- Holding and other activities
- Separate valuation of deferred tax assets
- Separate valuation of claims on third parties
- Separate valuation of (excess) land positions
- Valuation of net debt.

Depending on the activities of the individual parts of the Company, a weighted average cost of capital of 14.1-15.2% was used. In addition, certain sensitivity scenarios were calculated. In all scenario's, the value of the public offer by Renaissance Construction was considered to be attractive compared to the valuation ranges in any realistic discounted cash flow scenario for the Company.

### **3.3.2 Comparable transactions and comparable company multiples**

The Company made use of data from a peer group consisting of comparable companies. This peer group was constructed based on similarity of operations of the business (operating segments and geographical locations) and comparability of sales growth and EBITDA margins between the period 2005 to 2014. Based on these criteria, the following companies were selected to construct the peer group for the Company:

- Heijmans N.V.
- Koninklijke BAM Groep N.V.
- Ballast Nedam N.V.
- Hochtief A.G.
- NCC A.B.
- Kier Group PLC
- Skanska A.B.

However, the abovementioned peer group was considered to be of limited comparability to the Company, due to the current operational and financial situation of the Company. Sales multiples have been ignored, as these would not properly reflect differences in profitability levels.



The outcomes of analyses based on Enterprise Value / EBITDA market multiples for 2014, 2015 and 2016 forecasts all resulted in negative equity values for the Company. As a result, this analysis was deemed to be of only limited value. The same conclusion was reached when analysing a number of comparable transactions in the market.

### **3.3.3 Analyst reports**

An analysis of reports provided by equity analysts covering the Company during the period 1 January 2015 to 14 June 2015 was also performed. During this period, the Company had only limited coverage from external analysts, as only SNS Securities provided updated reports. In its latest report (19 May 2015), SNS Securities reduced its target share price for the Company to EUR 1.50.

### **3.4 Roles of KPMG**

In the period up to and at the time of providing its fairness opinion, KPMG acted as financial advisor to the Company in relation to i.e. the following aspects:

- Acting as financial advisor to the Company in relation to the transaction as described in this Position Statement;
- Financial advisory role in supporting the Company in the process of reaching agreement on refinancing with the banks;
- Financial advisory role in reviewing strategic options for the Company, as described in this Position Statement; and
- Financial advisory role of KPMG Transaction Services in providing independent business reviews for the benefit of the banks financing the Company.

### **3.5 Position of the Boards**

Based on the above, the Boards concluded that the Offer Price is fair to the Depositary Receipt Holders from a financial point of view.

## **4 STRATEGIC RATIONALE**

The Offer reflects the long term growth perspective of both companies. In Renaissance Construction, the Company will have a strong shareholder willing to inject capital to increase its solvency and reduce its vulnerability. In addition, the Company will be less vulnerable to the consequences of cost over-runs of large projects. The Offer provides the Depositary Receipts Holders with an opportunity to exit for a cash consideration versus an upcoming rights issue, the envisaged capital injection requirements and an uncertain market outlook.

The Company will eventually benefit from international expansion to higher margin business which would not be available on a standalone basis. The combination will be an attractive platform for management and employees to become part of a diversified group with enriched (international) career opportunities.

This will also enable the Company to enhance its strategic agenda, set at optimizing cost management, risk management and project planning, on the one hand, and improving contract management, on the other hand. By striking the right balance between capacity, risk and return and tightening financial control the Company seeks to improve its performance.

Renaissance Construction considers the Company's knowledge and expertise in designing, engineering and managing integrated infrastructure projects, combined with its innovative development of modular construction concepts, complementary additions to its current international portfolio.

## 5 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

In accordance with article 18, paragraph 1 of the Takeover Decree, the Company will convene an extraordinary general meeting of shareholders ("**EGM**") to discuss the Offer. The EGM will be held at 14.00 hours CET on 30 October 2015.

At the EGM, the shareholders of the Company and Depositary Receipt Holders who have obtained a voting proxy will be requested to:

- (a) appoint Ipek Ilıcak Kayaalp, Huseyin Avni Akvardar and Emre Baki as Supervisory Board members;
- (b) accept the resignation of, and give discharge to, all resigning members of the Supervisory Board;
- (c) approve amendments of the Company's Articles of Association as available on the Company's website at [www.ballast-nedam.com](http://www.ballast-nedam.com); and
- (d) approve the Capital Contribution as described in Section 3.17.1 (*Capital and financing aspects*) of the Offer Memorandum, whereby the Depositary Receipt Holders will be asked to vote in favour of a private placement at a discount of 30% to the theoretical ex-rights price,

(together the "**Resolutions**").

The Resolutions will be conditional upon Settlement taking place and will become effective as of the Settlement Date.

Subject to Settlement, the Company's Articles of Association will be amended to reflect that (i) the Company applies the mitigated large company regime, pursuant to which the general meeting of shareholders appoints the members of the Board of Management and (ii) the number of members of the Supervisory Board will be increased to five.

## **6 EMPLOYMENT AND EMPLOYEE CONSULTATION**

### **6.1 Employees**

With regard to the employees of the Company, the Offeror will procure that:

- (a) the existing arrangements with the Group's works councils and relevant trade unions, will be respected and not changed unilaterally;
- (b) there will be no reorganisation or restructuring plan resulting in significant job losses in the Group as a direct consequence of the Offer, except to the extent currently contemplated and/or proposed by the Board of Management;
- (c) the existing rights and benefits of the employees of the Group will be respected, including existing rights and benefits under their individual employment agreements, collective labour agreements, social plans; and
- (d) subject to the Board of Management's future review and amendments of the Group's pension arrangements, the current pension arrangements will be respected.

### **6.2 Employee consultation procedures**

The Company has requested the works council of the Company (the "**Works Council**") to render its advice with regard to the Boards' intention to recommend the Offer. Fulfilment of the information and consultation obligations of the Company pursuant to the Merger Code (*SER-besluit Fusiegedragsregels 2000*) and the Works Council Act (*WOR*) regarding the Offer and the Merger is necessary for commencement of the Offer.

The secretariat of the Social Economic Council (*Sociaal Economische Raad*) and the relevant trade unions have been informed in writing of the Offer in accordance with the Rules relating to Mergers of the Social and Economic Council (*SER Fusiegedragsregels 2000*).

The Works Council has been informed regarding the change of control contemplated by the Offer. On the basis thereof, the Works Council has given its positive advice in respect of the Offer.

To the extent that intended decisions regarding any future integration or restructuring will be subject to the Works Council's advice, the proper procedures will be followed pursuant to the Dutch Works Council Act (*Wet op de Ondernemingsraden*).

## **7 STRUCTURE AND GOVERNANCE**

### **7.1 Composition Board of Management**

As of the date hereof, the Board of Management consists of the following members:

- (i) Erik van der Noordaa; and
- (ii) Peter van Zwieten.

Immediately following the Settlement Date, Cenk Düzyol will also become a member of the Board of Management.

### **7.2 Composition Supervisory Board**

Tjalling Tiemstra and Jan Bout have resigned from their positions as members of the Supervisory Board with effect from the Settlement Date.

Immediately following the Settlement Date, subject to the relevant Resolution being adopted at the EGM, the Supervisory Board will consist of:

- (i) Ipek Ilicak Kayaalp, Huseyin Avni Akvardar and Emre Baki as members nominated by the Offeror; and
- (ii) Leo van Doorne and Charlotte Insinger as the Independent Board Members nominated by the Company and the Offeror, whereby one of the Independent Board Members will qualify as recommended by the Works Council.

### **7.3 Future Composition Supervisory Board**

Renaissance Construction and the Company have agreed that as of the Settlement Date, the Offeror may at its discretion, procure any subsequent appointments and dismissals of Supervisory Board members, provided the Offeror will ensure that:

- (a) the Supervisory Board will not exceed five (5) members;
- (b) the Supervisory Board will include two (2) Independent Board Members; and

- (c) an Independent Board Member can only be appointed by the general meeting of shareholders upon nomination by the Supervisory Board, whereby the Works Council has a reinforced right to recommend one Independent Board Member of the Supervisory Board. The resolution of the Supervisory Board to make a nomination for the appointment of an Independent Board Member requires the vote in favour of such nomination by the Independent Board Members, except in the event that it concerns his or her own re-appointment, in which case such appointment requires a vote in favour of such appointment by the other Independent Board Member and except in the event no Independent Board Members are in office.

The composition of the Supervisory Board will be such that it is both diverse and capable of acting as an effective and harmonious Supervisory Board, and that all individuals are sufficiently qualified and have the experience and background that they can be reasonably expected to contribute to the future growth of the Company and the realisation of its strategy.

#### **7.4 Independent Board Members**

The Supervisory Board will have no more than five members. At least for as long as there are minority shareholders, two members (the "**Independent Board Members**") must be "independent" within the meaning as described in the Dutch Corporate Governance Code. The Independent Board Members will monitor and act in the interests of the Company and all of its stakeholders, including in particular and as long as these apply, monitoring compliance with the Non-Financial Covenants. All decisions with respect to the Non-Financial Covenants require the prior approval of the Supervisory Board, with the affirmative vote of at least one of the Independent Board Members.

### **8 MINORITY PROTECTION**

#### **8.1 Independence of certain Supervisory Board members**

At least for as long as there are minority shareholders the Supervisory Board will have two Independent Board Members. This ensures that, on all matters under consideration by the Supervisory Board, the interests of all stakeholders, including minority shareholders or Depositary Receipt Holders, will be heard without undue weighing of the Company's interests.

Although these arrangements deviate from the Dutch Corporate Governance Code with respect to the number of independent supervisory board members, the Independent Supervisory Board members have greater powers than envisaged under the Dutch Corporate Governance Code. Any deviation from the Non-Financial Covenants as set forth in Section 3.4 of the Offer

Memorandum will only be permitted with the prior approval of a majority of the Supervisory Board, including a vote in favour of such approval by at least one Independent Board Member.

## **8.2 Approvals required for Post-Closing Restructuring Measures**

As described by Renaissance Construction in Section 3.15 and 3.16 of the Offer Memorandum, Renaissance Construction seeks to acquire 100% of the shares, Depositary Receipts or the business and operations of the Company. If necessary, Renaissance Construction may pursue Post-Closing Restructuring Measures.

The implementation of any Post-Closing Restructuring Measure will be subject to the approval of the Supervisory Board, which will be required to consider the interests of all stakeholders. In addition, any Post-Closing Restructuring Measures will be subject to the approval of the Independent Board Members.

## **8.3 Other specific minority protection**

The Company also agreed with Renaissance Construction to enter into specific undertakings for the protection of minority shareholders, as set out in the Non-Financial Covenants as described in Section 3.4.3 of the Offer Memorandum. These specific undertakings will continue for as long as the Company has minority shareholders.

The Offeror will procure that the Company will, save as otherwise provided in the Merger Agreement, not take any of the following actions:

- (a) issue additional shares for a cash consideration to any person (other than members of the Group) without offering pre-emption rights to minority shareholders;
- (b) agree, and procure that no member of the Group agrees, to and enter into a related party transaction with any material shareholder or other person which is not at arm's length; and
- (c) take any other action or vote in favour of any resolution which disproportionately prejudices the value of, or the rights relating to the minority's shareholding.

## **9 LIKELIHOOD OF COMPLETION**

The Boards believe that, subject to certain offer conditions (as included in section 3.9 of the Offer Memorandum) being satisfied or waived, the Offer will likely be completed based on, among other things, the following:

- the Offeror has already obtained approximately 29% of all issued and outstanding Depositary Receipts; and
- the Offeror has already obtained the required regulatory approval from the German competition authority in the context of the Merger.
- the Works Council has given its positive advice in respect of the Offer on 8 September 2015.

## 10 CERTAINTY OF FUNDS, FINANCING ARRANGEMENTS

Subject to the Offer having been declared unconditional (*gestand gedaan*), the Offeror will make a capital contribution to the Company in the amount of EUR 47.6 million (a) either in the form of a rights issue of EUR 20 million (against a discount to be determined) and a private placement of EUR 27.6 million at a discount of 30% to the theoretical ex-rights price of the rights issue or (b) in the event that 95% or more of the issued share capital or a percentage of the Depositary Receipts equal thereto is held jointly by Renaissance Construction and the Offeror following the Post Acceptance Period, in a form to be determined by the Offeror at its own discretion (the "**Capital Contribution**")

In addition, Renaissance Construction, the Company and the Bank Syndicate have entered into arrangements in respect of the continued availability of the financing and the separate bank loans as well as certain amendments to the existing terms and conditions, in each case in connection with the intended Offer. In connection with the Offer, the implementation of the rights issue that was previously announced has been put on hold. Upon or after completion and settlement of the Offer:

- Renaissance Construction will make the Capital Contribution, which the Company will apply in full prepayment towards the bridge loans and for strengthening its liquidity position;
- The stand-by subordinated debt of the Company will be repaid and cancelled in full;
- The Bank Syndicate agreed to a financial covenant holiday until 31 December 2016;
- The rights issue announced on 29 April 2015 will not take place;
- The liabilities under the subordinated bank loan of EUR 43 million will be reduced with an amount of EUR 16 million;

- Renaissance Construction will provide an on demand parent guarantee to the bank syndicate for EUR 16.5 million of the liabilities of Ballast Nedam under the subordinated bank loan of EUR 43 million (as reduced); and
- The Company will be under an obligation to make repayments on the separate bank loans in a total amount of EUR 10 million before 1 July 2016.

The Offeror will pay the Offer Price and the Capital Contribution with cash from its own available resources.

## **11 CERTAIN ARRANGEMENTS BETWEEN THE COMPANY AND RENAISSANCE CONSTRUCTION**

### **11.1 Non-Financial Covenants**

Renaissance Construction has undertaken to comply with various Non-Financial Covenants, described in detail in Section 3.4 of the Offer Memorandum.

The Company has negotiated these Non-Financial Covenants with Renaissance Construction for the protection of all stakeholders, including potential future minority Depository Receipt Holders. In the event that Renaissance Construction wishes to deviate from any of the Non-Financial Covenants, the Supervisory Board's prior approval, including the affirmative vote of at least one Independent Board Member will be required.

The Non-Financial Covenants have been agreed between the Company and Renaissance Construction on the following topics: business strategy, structure and governance, minority shareholders and employment.

The Non-Financial Covenants titled "Minority Depository Receipt Holders" (described in Section 3.4.3 of the Offer Memorandum) will continue for as long as the Company has minority Depository Receipt Holders. All other Non-Financial Covenants will continue for two years after the Settlement Date.

### **11.2 Exclusivity**

#### *Approaches in general*

The Company has agreed with Renaissance Construction that the Company may not directly or indirectly, approach, initiate, encourage, solicit, provide confidential information to or engage in negotiations or enter into any transaction with any third party regarding an Alternative Proposal.

#### *Approaches that are Potential Competing Offers*



However, following receipt of an unsolicited Potential Competing Offer, the Company may (subject to receiving confidentiality undertakings and non-trading undertakings from the relevant third party):

(a) provide confidential information to the third party making a Potential Competing Offer;

(b) engage in discussions or negotiations regarding such Potential Competing Offer;

(c) consider such Potential Competing Offer; and

(d) make public announcements in relation to a Potential Competing Offer to the extent required by law,

for a period of no longer than fifteen (15) business days following the receipt of a Potential Competing Offer, provided that the Company continues to cooperate with Renaissance Construction in accordance with the terms of the Merger Agreement.

#### *Competing Offer*

A "**Competing Offer**" is a written proposal by a *bona fide* third party to make a (public) offer for all of the Depositary Receipts or for substantially all of the Company's business or a merger of the Company with a party or another proposal made by a *bona fide* third party that would involve a change of control of the Company or substantially all of the Company's business, which is in the reasonable opinion of the Boards, after having consulted its financial and legal advisors and considering, among others, the total value of such offer (specifically taking into account any value such third party is willing to contribute to the Company with the objective to increase the Company's solvency), certainty of financing and conditionality, a more beneficial offer than the Offer. The consideration offered per Depositary Receipt should exceed the Offer Price stated in the Initial Announcement Press Release (excluding, for the avoidance of doubt, any increases pursuant to any Revised Offers) by EUR 0.20 or more.

#### *Revised Offer*

The Offeror has the right to make a Revised Offer with regard to any Competing Offer within five (5) business days following the date on which the Offeror has received written notice from the Company of such Competing Offer. If the Offeror has announced a revision of its Offer to the Boards in accordance and the Boards have qualified it as a Revised Offer, the Company will not be

entitled to accept or recommend the Competing Offer and the Company cannot terminate the Merger Agreement.

### **11.3 Termination**

The Company and Renaissance Construction may terminate the Merger Agreement:

- (a) in the event that the Offer Conditions have not been satisfied or waived, as the case may be, on the Closing Date;
- (b) in the event of a Material Breach, provided that such Material Breach (i) has not been waived by the non-defaulting Party, or (ii) has not been remedied by the Defaulting Party within ten (10) Business Days after the Defaulting Party has obtained actual knowledge of such Material Breach; or
- (c) if the Company agrees to a Competing Offer.

If the Merger Agreement is terminated by Renaissance Construction in accordance with (b) or (c) above, the Company will pay Renaissance Construction an amount of EUR 750,000 for loss of management time and other costs and expenses which it has already incurred and will continue to incur in connection with the Offer and the preparation of the Offer.

If the Merger Agreement is terminated by the Company in accordance with (b) above, Renaissance Construction will pay the Company an amount of EUR 1,000,000 for loss of management time and other costs and expenses which it has already incurred and will continue to incur in connection with the Offer and the preparation of the Offer.

## **12 FINANCIALS**

Reference is made to section 12 (*Financial information*) of the Offer Memorandum.

## **13 OVERVIEW OF TRADING IN THE COMPANY**

### **13.1 Depositary Receipts held by members of the Boards**

At the date of this Position Statement, Depositary Receipts and options for Depositary Receipts are held by the one member of the Board of Management as shown in the following table. No member of the Supervisory Board holds any Depositary Receipts or options for Depositary Receipts.

*Depositary Receipts held by members of Boards*

Name	Number of Depositary Receipts	% of the issued shares in the Company's share capital
Peter van Zwieten	5,282	0.027% of the issued shares

*Options held by members of Boards*

Name	Number of Depositary Receipts	Exercise price	Granted	Closed period until	Ultimate exercise date
Peter van Zwieten	30,000	EUR 12.67	2012	9 March 2015	8 March 2018

### 13.2 Depositary Receipt transactions

No transactions or agreements in respect of Depositary Receipts have been effected or have been concluded and no similar transactions have been effected in respect of Depositary Receipts, by any member of the Boards, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*), under aged children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*), during the year preceding the date of publication of the Offer Memorandum.

## 14 RECOMMENDATION

Taking all strategic, financial and non-financial considerations into account, the Boards unanimously recommend the Offer for acceptance to the Depositary Receipt Holders and unanimously recommend the shareholders of the Company and the Depositary Receipt Holders who have obtained a voting proxy, to vote in favour of all resolutions at the EGM referred to in Schedule 3 to this Position Statement.

**Schedule 1** Fairness Opinion KPMG



**KPMG Advisory**  
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Ballast Nedam N.V.  
Board of Directors  
Ringwade 71  
3439 LM Nieuwegein

Amstelveen, 16 September 2015

To the Board of Directors,

## **Fairness Opinion**

KPMG Advisory N.V. (“KPMG Corporate Finance”), is acting as financial adviser to the Board of Directors of Ballast Nedam N.V. (“Ballast Nedam” or the “Company”) in connection with the proposed revised offer (the “Offer”) to acquire all of the depository receipts of Ballast Nedam (the “Depository Receipts”), listed on the Euronext Amsterdam, by means of a public tender offer (the “Transaction”). The Offer is made by RC Rönesans İnşaat Taahhüt A.Ş. (“Renaissance Construction”) or a fully owned subsidiary of Renaissance Construction (together the “Offerer”) and described in the Amendment Agreement relating to the Merger Agreement dated 9 September 2015 and the Merger Agreement dated 21 July (together the “Agreements”). The consideration proposed to be paid by the Offerer pursuant to the Offer is EUR 0.30 per Depository Receipt of Ballast Nedam, to be paid in cash (the “Consideration”). Based on a total number of outstanding Depository Receipts of 19,335,000, the Consideration per Depository Receipt results in a total equity value of Ballast Nedam of EUR 5,800,500.00.

The Board of Directors of Ballast Nedam N.V. (the “Management Board”), has asked KPMG Corporate Finance pursuant to an engagement set out in our engagement letter and its attachments dated 12 June 2015 and the addendum engagement letter dated 7 September 2015, to provide an opinion (the “Opinion”) as to whether the Consideration to be paid by the Offerer is fair from a financial point of view to the holders of Depository Receipts of the Company.

The opinion does explicitly not address the underlying business decision of Ballast Nedam to effect the Transaction nor does it address any potential alternatives. Consequently, no opinion is expressed whether an alternative transaction might be more beneficial to the holders of Depository Receipts of the Company.

In arriving at its Opinion, KPMG Corporate Finance has:

1. Reviewed those parts of the Agreements which we deemed relevant for the purpose of providing the Opinion; Reviewed certain internal reports and financial forecasts with respect to the Ballast Nedam business operations, earnings, cash flow, assets, liabilities and prospects, prepared by the Company;

2. Held discussions with management of Ballast Nedam regarding the past and current business operations and financial condition and the expectations for the future relating to the strategic and financial development of Ballast Nedam;
3. Reviewed certain publicly available reports prepared by third parties, including analyst reports for Ballast Nedam;
4. Reviewed the reported prices and trading activity of Depository Receipts of Ballast Nedam;
5. Analysed the Agreements;
6. Considered the Offer versus the stand-alone value of Depository Receipts in Ballast Nedam from a financial point of view;
7. Reviewed certain comparable companies and transactions operating in sectors similar to Ballast Nedam and recent sector transactions; and
8. Performed other studies and analyses and considered such other matters as it deemed appropriate.

For the purpose of this Opinion, KPMG Corporate Finance has assumed and relied upon the accuracy and completeness of all information, whether furnished to it or publicly available, and has not assumed responsibility for independent verification of, and has not independently verified, any information concerning Ballast Nedam. KPMG Corporate Finance has not conducted any physical inspection of the properties or assets of Ballast Nedam and has not prepared or obtained any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise). In rendering this Opinion, KPMG Corporate Finance has assumed that the Transaction will be consummated on the terms described in the Agreements.

KPMG Corporate Finance has assumed that no information has been withheld from it which could have had a material influence on the assumptions underlying and consequently the outcome of this Opinion. Ballast Nedam has confirmed to KPMG Corporate Finance that, to the best of its knowledge and belief, the information made available to KPMG Corporate Finance is complete and not misleading in the manner of its portrayal and without omissions and therefore forms a reliable basis for the Opinion.

The fairness of the Consideration to the holders of Depository Receipts of Ballast Nedam expressed in this Opinion is only in the context of the Transaction and consequently this Opinion does not address any other transaction that the Company has considered, may consider or could have considered.

This Opinion is addressed solely to, and for the use and benefit of, the Board of Directors of Ballast Nedam and is not a recommendation of KPMG Corporate Finance to any holder of Depository Receipts or other security holder of the Company to accept or reject the Offer. Other parties cannot derive any rights from this Opinion and may not rely on its contents. This letter shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to in any document or provided to any person without the prior written consent of KPMG Corporate Finance, other than through reproduction in full of this letter in the Position Statement and the Offer Memorandum that is expected to be published in relation to the Offer,



for information purposes to the holders of Depository Receipts of Ballast Nedam. References to the existence and conclusion of this Opinion can be made in public announcements of the Company which refer to the Offer.

In rendering this Opinion, KPMG Corporate Finance has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly KPMG Corporate Finance does not assume any responsibility or liability in respect thereof.

KPMG Corporate Finance has been engaged by the Board of Directors of Ballast Nedam. Besides the Dutch corporate finance division known as KPMG Corporate Finance, no other practices or other KPMG member firms have been involved for the purpose of this Opinion. Information available to all these other independent KPMG practices cannot be considered part of the information that was available to KPMG Corporate Finance for the purpose of the Opinion.

KPMG Corporate Finance has acted as the financial advisor to the Board of Ballast Nedam throughout the process. However, the team responsible for the Opinion has not been involved in, nor have we influenced, the process of discussions and negotiations between Ballast Nedam and the Offerer.

KPMG Corporate Finance's Opinion is necessarily based on financial, economic, monetary, market and other conditions existing on, and the information which has been provided to us up until, the date of this letter. Any subsequent changes in respect of these conditions or this information could change both the assumptions on which this Opinion is based and the Opinion itself. In that case, KPMG Corporate Finance is not obliged to renew, review or confirm this Opinion.

This Opinion shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in connection with, this letter shall be subject to the exclusive jurisdiction of the Dutch Courts.

Based upon and subject to the contents of this letter, KPMG Corporate Finance is of the opinion that as at the date of this letter the Consideration to be offered to the holders of Depository Receipts in Ballast Nedam is fair from a financial point of view.

Yours faithfully,

KPMG Corporate Finance

**Schedule 2** Fairness Opinion Leonardo





LEONARDO & CO.

Ballast Nedam N.V.

Attn.: Supervisory Board  
Ballast Nedam N.V.  
Ringwade 71  
3439 LM Nieuwegein  
The Netherlands

Amsterdam, 10 September 2015

Re: Fairness Opinion

Dear Sirs,

We understand that RC Rönesans İnşaat Taahhüt A.Ş. or a subsidiary of RC Rönesans İnşaat Taahhüt A.Ş. (“Rönesans” or the “Offeror”) intends to make a recommended public offer (the “Offer”) for all issued and outstanding Depositary Receipts (the “Depositary Receipts”) of Ballast Nedam N.V. (“Ballast Nedam” or the “Company”). We understand from the Amendment Agreement (as defined below) that the Offeror will offer to the holders of these Depositary Receipts (the “Depositary Receipt Holders”) for each Depositary Receipt tendered under the terms of the Offer EUR 0.30 per Depositary Receipt in cash to Depositary Receipt Holders holding Depositary Receipts (the “Consideration”). The Consideration and the other terms and conditions of the Offer are in more detail described in the Amendment Agreement. The description of the Offer set forth above and certain other information contained herein is qualified in its entirety by the terms of the Amendment Agreement.

You, the Supervisory Board of the Company, have asked for Leonardo & Co. B.V.’s (“Leonardo & Co.”) opinion, pursuant to the engagement as set out in the engagement letter dated 5 March 2015 (the “Engagement Letter”), as to whether the Consideration offered to the Depositary Receipt Holders pursuant to the Offer is fair, from a financial point of view, to such Depositary Receipt Holders (the “Opinion”).

In the event of any conflict between the terms of this letter and the Engagement Letter, the terms of this letter shall take precedence.

In arriving at our Opinion, we have:

- (i) Reviewed those parts of the Amendment Agreement relating to the Merger Agreement as per 8 September 2015 (the "Amendment Agreement") which we deemed relevant for the purpose of providing the Opinion;
- (ii) Reviewed certain publicly available financial and other information relating to the Company which we deemed relevant for the purposes of providing the Opinion, including annual reports and interim reports, company presentations, press releases and research analyst reports relating to the expected future financial performance of the Company;
- (iii) Reviewed certain internal, (unaudited) financial and operational information furnished to us by the Company, including financial forecasts, analyses, projections and assumptions relating to the business, operations and prospects of the Company;
- (iv) Held discussions with members of the Supervisory Board and the Board of Directors as well as certain other members of senior management of the Company concerning the past and current business, operations, financial condition and prospects of the Company, the effects of the Offer on the prospects of the Company and certain other matters we believed necessary or appropriate to our inquiry;
- (v) Reviewed the depositary receipt trading price history and valuation multiples for the Depositary Receipts and compared them with those of certain publicly traded companies that we deemed relevant;
- (vi) Reviewed certain publicly available financial and other information about certain publicly traded companies engaged in business comparable to the Company that we deemed to be relevant;
- (vii) Compared the proposed financial terms of the Offer with the financial terms, to the extent publicly available, of certain other transactions involving companies that we deemed relevant and the consideration paid for such companies;
- (viii) Considered the Offer versus the stand-alone value of the Depositary Receipts, from a financial point of view; and
- (ix) Conducted such other financial studies, analyses and investigations and considered such other information as we deemed appropriate for the purposes of the Opinion.

In preparing our Opinion, we have assumed and relied upon, but have not assumed any responsibility or liability to independently investigate or verify and have not independently investigated or verified, the accuracy and completeness of all financial and other information that was supplied or otherwise made available to or discussed with us by or on behalf of the Company or that is publicly available (including, without limitation, the information described above), or that was otherwise reviewed by us. We have not assumed and do not assume any responsibility or liability for any such information and have relied on assurances of the management of the Company that it is not aware of any facts, circumstances or events that would make such information inaccurate, incomplete or misleading or that may reasonably be expected to have an impact on the Opinion. We have assumed, to the extent reasonable, that no information has been withheld from us that could reasonably affect the Opinion.



We have not reviewed and do not opine on the question whether the Consideration is the fair price (*billijke prijs*) within the meaning of Section 5:80a of the Financial Supervision Act (*Wet financieel toezicht*).

In our review, we did not obtain any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of, nor did we conduct a physical inspection of any of the properties or facilities of the Company, nor have we been furnished with any such evaluations or appraisals of such physical inspections, nor do we assume any responsibility to obtain any such evaluations or appraisals. We have also not evaluated the solvency or fair value of the Company under any laws relating to bankruptcy, insolvency or similar matters.

With respect to the financial analyses, projections, assumptions and forecast information furnished to, or discussed with, us by the Company, we have assumed that they have been reasonably prepared and reflect the best currently available estimates and judgement of the Company's management as to the expected future financial performance of the Company. To the extent we have relied on publicly available financial forecasts from various research analysts we have assumed that they were reasonably prepared on bases reflecting (and continuing to reflect) the best currently available estimates and good faith judgements of such analysts as to the future financial performance of the Company. We express no view or opinion as to such research analyst's financial forecasts or the Company's analyses, projections or forecast information or the assumptions on which they were based. The Company has confirmed that we may rely upon information furnished to, or discussed with, us by the Company based on the assumption that all such information and documentation is precise, sincere, accurate and complete.

We have not provided, obtained or reviewed on your behalf any specialist advice, including but not limited to, legal, accounting, actuarial, environmental, information technology or tax advice and as such assume no liability or responsibility in connection therewith. Accordingly, in providing the Opinion, we have not taken into account the possible implications of any such advice.

Our Opinion is necessarily based on financial, economic, monetary, regulatory and political market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments or circumstances and any other information that becomes available after this date may affect our Opinion. We expressly disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting our Opinion of which we become aware after the date hereof and we have not assumed any responsibility to update, revise or reaffirm our Opinion. We further note that volatility of and disruptions in the credit, financial and stock markets may affect the Offer, the financial terms of the Offer and/or the Company's or the Offeror's ability to consummate the Offer and we are not expressing an opinion as to the effects of such volatility or such disruption on any of the foregoing.

In addition, in preparing this Opinion, we have not taken into account any tax consequences of the Offer to any Depositary Receipt Holders.

Our Opinion is based on the Amendment Agreement and we have assumed that the Offer will be consummated in accordance with, and on the basis of, the terms and conditions set out in



the Amendment Agreement without any adverse waiver, amendment or breach of any material term or condition thereof.

We have assumed that all corporate and other actions required by the Company or its subsidiaries to complete the Offer and to carry out the Company's obligations thereunder has been or will be duly taken and that the execution, delivery and performance by the Company of the Offer will not violate or be prohibited by either the Company's internal constitution or by any provision of any existing law applicable to the Company or any agreement or instrument binding on the Company or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument. In addition, we have assumed that the Consideration will not be reduced as a result of any declaration and/or payment of any dividend or other distribution or otherwise.

We have assumed that the Company complies in all material respects with all relevant applicable law and regulations and promptly discloses to the extent required under applicable laws and regulations any price sensitive information to the public. We have further assumed that all governmental, regulatory, third party or other consents, releases and approvals necessary for the consummation of the Offer will be obtained without any adverse effect on the Offeror or the Company or the contemplated benefits of the Offer.

This Opinion is solely for the use and benefit of the Supervisory Board of the Company (solely in its capacity as such) in connection with and for the purposes of its evaluation of the Offer and shall not be used for any other purpose. We accept no responsibility or liability to any person in relation to the contents of this letter other than the Supervisory Board of the Company, even if it has been disclosed with our consent. In addition, you agree that our liability to you will be limited to the manner set out in the Engagement Letter. This Opinion is not intended to be relied upon or confer any rights or remedies upon, nor may it be relied on by, any employee, creditor or depositary receipt holder of the Company, Rónesans or any other party.

Our Opinion is limited to the fairness, from a financial point of view, of the Consideration offered to the Depositary Receipt Holders pursuant to the Offer and does not in any manner address any other aspect or implication of the Offer (including the likelihood of the consummation of the Offer, the likely timetable of the Offer or the method or form of payment of the Consideration). We express no opinion as to the fairness of the Offer to, or any consideration of, the holders of any other class of securities, creditors or other constituencies of the Company. Our Opinion does not address the relative merits of the transaction contemplated by the Offer as compared to any alternative transaction or opportunity that might be available to the Company and whether any alternative transaction might be more beneficial to the Depositary Receipt Holders than the Offer, nor does it address the underlying business decision by the Company to engage in, recommend or proceed with the Offer or the terms of the Amendment Agreement. Our Opinion does not constitute a recommendation to any Depositary Receipt Holder as to whether such Depositary Receipt Holder should tender any Depositary Receipts pursuant to the Offer or as to how any Depositary Receipt Holder of the Company should vote or act with respect to the Offer or any other matter relating thereto or as to any other matter. We express no opinion as to the amount, the price or the structure of the intended capital injection as described in the Amendment Agreement or otherwise. We express no opinion as to the price at which Depositary Receipts will trade at any future time.



Furthermore, we do not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable or to be received by any of the Company's officers, directors or employees of any party to the Offer, or any class of such persons, in connection with the Offer relative to the Consideration to be received by the Depositary Receipt Holders in the Offer.

We have been engaged by the Company to act as financial adviser to the Company on behalf of the Supervisory Board for the purposes of providing this Opinion in connection with the Offer and will receive a fee from the Company for our services pursuant to the Engagement Letter. We will receive our fee upon the issuance of the Opinion, irrespective of the contents of the Opinion and/or the completion of the Offer. We will furthermore be reimbursed for expenses incurred. The Company has agreed to indemnify us against certain liabilities arising out of, in connection with or based on the services rendered and to be rendered by us under the engagement as set out in the Engagement Letter or the involvement of the Company with the Offer. We may, from time to time, provide financial advisory services to and maintain a commercial or investment banking relationship with the Company and Rönésans and have received, and/or may receive, fees for the rendering of such services.

This Opinion may be incorporated in full, for information purposes only, in the position statement to be made available by the boards of the Company to the Depositary Receipt Holders in connection with the Offer. Notwithstanding the foregoing, our Opinion is rendered on the condition that it shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted or summarised at any time, in any manner or for any purpose, without the prior written consent of Leonardo & Co. References to the existence and conclusion of this Opinion can be made in public announcements of the Company which refer to the Offer.

This Opinion is issued in the English language and reliance may only be placed on this Opinion as issued in the English language. If any translations of our Opinion will be delivered, they are provided only for ease of reference, have no legal effect and Leonardo & Co. makes no representation as to, and accepts no liability in respect of, the accuracy of any such translation. This Opinion and Leonardo & Co.'s obligations to you hereunder shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in connection with, this letter shall be subject to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.

On the basis of and subject to the foregoing, we are of the opinion that, as of the date of this letter, the Consideration offered to the Depositary Receipt Holders pursuant to the Offer is fair, from a financial point of view, to such Depositary Receipt Holders accepting the Offer.

Yours faithfully,

Leonardo & Co. B.V.



Rob Oudman, Managing Director  
Leonardo & Co B.V.

**Schedule 3** Agenda and explanatory notes to the Extraordinary  
General Meeting of Shareholders

## AGENDA

for the Extraordinary General Meeting ("**EGM**") of Ballast Nedam N.V., to be held at the offices of Ballast Nedam N.V., Ringwade 71, 3439 LM Nieuwegein, the Netherlands, at 2.00 p.m. on 30 October 2015

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1. **Opening**
2. **Explanation on the recommended public offer**
3. **Notification conditional appointment of Mr Cenk Düzyol as member of the Board of Management**
4. **Conditional discharge two members of the Supervisory Board (voting item)**
5. **Conditional composition of the Supervisory Board**
  - 5.1. **Conditional resignation two members of the Supervisory Board**
  - 5.2. **Conditional appointment of Mrs Ipek Ilicak Kayaalp as member of the Supervisory Board**
    - a. Announcement of a vacancy in the Supervisory Board
    - b. Opportunity to recommend persons for nomination to the Supervisory Board
    - c. Nomination by the Supervisory Board of Mrs Ipek Ilicak Kayaalp for conditional appointment as member of the Supervisory Board as per the Settlement Date and conditional upon Settlement<sup>1</sup>
    - d. Conditional appointment, as per the Settlement Date and conditional upon Settlement, of Mrs Ipek Ilicak Kayaalp as member of the Supervisory Board (**voting item**)
  - 5.3. **Conditional appointment of Mr Hüseyin Avni Akvardar as member of the Supervisory Board**
    - a. Announcement of a vacancy in the Supervisory Board
    - b. Opportunity to recommend persons for nomination to the Supervisory Board
    - c. Nomination by the Supervisory Board of Mr Hüseyin Avni Akvardar for conditional appointment as member of the Supervisory Board as per the Settlement Date and conditional upon Settlement
    - d. Conditional appointment, as per the Settlement Date and conditional upon Settlement, of Mr Hüseyin Avni Akvardar as member of the Supervisory Board (**voting item**)

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<sup>1</sup> Settlement Date and Settlement as defined in the Offer Memorandum



- 5.4 Conditional appointment of Mr Emre Baki as member of the Supervisory Board**
- a. Announcement of a vacancy in the Supervisory Board
  - b. Opportunity to recommend persons for nomination to the Supervisory Board
  - c. Nomination by the Supervisory Board of Mr Emre Baki for conditional appointment as member of the Supervisory Board as per the Settlement Date and conditional upon Settlement
  - d. Conditional appointment, as per the Settlement Date and conditional upon Settlement, of Mr Emre Baki as member of the Supervisory Board **(voting item)**
- 6. Proposals to conditionally apply the mitigated large company regime (*gemitigeerd structuurregime*) and to conditionally amend the articles of association**
- 6.1. Proposal to conditionally apply the mitigated large company regime (*gemitigeerd structuurregime*) (voting item)**
- 6.2. Proposal of the Board of Management, subject to the approval of the Supervisory Board, to conditionally amend the articles of association in connection with the implementation of the mitigated large company regime (*gemitigeerd structuurregime*) (voting item)**
- 7. Designation of issue right in connection with Capital Contribution\* after Settlement**
- 7.1 Designation of issue right in connection with the Capital Contribution after Settlement with less than (i) 95% of the issued share capital (the "Percentage"), or (ii) a number of issued depositary receipts equal to the Percentage, held by the Offeror\***
- a. Designation regarding the issuance of shares in the event of the Capital Contribution after Settlement when less than (i) 95% of the issued share capital (the "**Percentage**"), or (ii) a number of issued depositary receipts equal to the Percentage, is held by the Offeror **(voting item)**
  - b. Designation regarding the limitation or exclusion of pre-emption rights **(voting item)**
  - c. Confirmation capital reduction **(voting item)**
- 7.2 Designation of issue right in connection with the Capital Contribution after Settlement with the Percentage or more than the Percentage, or a number of issued depositary receipts equal to or higher than the Percentage, held by the Offeror**
- a. Designation regarding the issuance of shares in the event of the Capital Contribution after Settlement when the Percentage or more than the Percentage, or a number of issued depositary receipts equal to or higher than the Percentage, is held by the Offeror **(voting item)**
  - b. Designation regarding the limitation or exclusion of pre-emption rights **(voting item)**

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\* Capital Contribution as defined in the Offer Memorandum

\* Offeror as defined in the Offer Memorandum



8. **Capital Contribution - issue and alternative consolidation of shares - proposals to amend the articles of association**
  - a. Amendment to the articles of association by which the number of shares in the authorised capital will be increased **(voting item)**
  - b. Amendment to the articles of association providing for the consolidation of shares in the capital **(voting item)**
9. **Any other business**
10. **Closing**

**Notes** to the agenda for the Extraordinary General Meeting of Ballast Nedam N.V., to be held on 30 October 2015

## **Agenda item 2**

### **Explanation on the recommended public offer**

On 22 July 2015, Ballast Nedam N.V. (the "**Company**") and RC Rönesans İnşaat Taahhüt A.Ş. jointly announced that they reached conditional agreement in connection with a public offer by Renaissance Infrastructure B.V. for all issued and outstanding depositary receipts as issued for the shares in the share capital of the Company at an offer price of EUR 1.55 (cum dividend) in cash for each depositary receipt, subject to customary conditions (the "**Offer**").

On 9 September 2015, the Company and RC Rönesans İnşaat Taahhüt A.Ş. jointly announced that they have agreed to changes in the terms of the Offer, pursuant to which the Offer will proceed against a price of EUR 0.30 for each depositary receipt, subject to further customary conditions of the Offer. Further reference is made to the in connection with the Offer issued Offer Memorandum (the "**Offer Memorandum**").

For the recommendation of the Offer, reference is made to the Position Statement (as defined in the Offer Memorandum).

At the EGM a presentation will be given on the Offer and the Offer will be discussed.

## **Agenda item 3**

### **Notification conditional appointment of Mr Cenk Düzyol as member of the Board of Management**

It is the intention of the Supervisory Board to appoint, as per the Settlement Date and subject to the Settlement, Mr Cenk Düzyol as member of the Board of Management. Pursuant to Dutch law and the articles of association of the Company, the Supervisory Board must notify the general meeting of an intended appointment of a member of the Board of Management. The Supervisory Board has the intention to appoint Mr Cenk Düzyol as member of the Board of Management for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment.

#### Reason for nomination

The Supervisory Board is of the opinion that Mr Cenk Düzyol fits extremely well within the Board of Management through his extensive experience. Given previous managerial experience within the industry Mr Cenk Düzyol will be of added value within the Board of Management.

Name	Cenk Düzyol
Nationality	Turkish
Date of birth	3 May 1971
Current Position	Board Member, Ronisans Russia Construction; Management Board Member in the Europe-based construction business
Previous Position(s)	CEO, Ronisans Russia Construction
Supervisory Board	None
Appointments	
Other Appointments	None
Ballast Nedam N.V. shares and/or options	None

#### **Agenda item 4 (voting item)**

##### **Conditional discharge two members of the Supervisory Board**

Mr J.S.T. (Tjalling) Tiemstra and Mr Jan Bout have indicated to resign as members of the Supervisory Board as per Settlement and effective as of the Settlement Date. It is proposed to, subject to Settlement and effective as of the Settlement Date, grant Mr J.S.T. (Tjalling) Tiemstra and Mr Jan Bout discharge as per the Settlement Date in their capacity as member of the Supervisory Board with respect to their supervision performed. The discharge will take place on the basis of information available, known or presented to the general meeting.

#### **Agenda item 5.1**

##### **Conditional resignation two members of the Supervisory Board**

Subject to Settlement and effective as of the Settlement Date, Mr J.S.T. (Tjalling) Tiemstra and Jan Bout will resign from their positions as members of the Supervisory Board.

#### **Agenda item 5.2a**

##### **Announcement of a vacancy in the Supervisory Board**

The Supervisory Board has the intention, pursuant to the Offer Memorandum, to determine the number of members of the Supervisory Board at five members. To fill the vacancy resulting from this change in the number of members of the Supervisory Board, the Supervisory Board has resolved to open up a vacancy on the Supervisory Board by putting agenda item 5.2a on the agenda. This vacancy should be filled with due observance of the current profile of the Supervisory Board in accordance with the Merger Agreement\*.

#### **Agenda item 5.2b**

##### **Opportunity to recommend persons for nomination to the Supervisory Board**

Pursuant to article 16, paragraph 5, of the articles of association of the Company, the general meeting and the Central Works Council have the right to recommend persons for nomination to the Supervisory Board. The Central Works Council has indicated that it will not exercise its right to recommend a person for nomination. In the event that the general meeting does not exercise its right to recommend a person for nomination, the Supervisory Board has the intention to nominate Mrs Ipek Ilicak Kayaalp as member

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\* Merger Agreement as defined in the Offer Memorandum

of the Supervisory Board for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment.

**Agenda item 5.2c**

**Nomination by the Supervisory Board of Mrs Ipek Ilicak Kayaalp for conditional appointment as member of the Supervisory Board as per the Settlement Date and conditional upon Settlement**

The Supervisory Board nominates to the general meeting, with the agreement of the Board of Management, Mrs Ipek Ilicak Kayaalp for conditional appointment as member of the Supervisory Board as per the Settlement Date and subject to the Settlement for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment. It is envisaged that, as agreed in the Merger Agreement, Mrs Ipek Ilicak Kayaalp will be appointed as chairman of the Supervisory Board as per the Settlement Date. The current chairman Mr Leo van Doorne will thereafter remain in office as an ordinary member of the Supervisory Board.

**Agenda item 5.2d (voting item)**

**Conditional appointment, as per the Settlement Date and conditional upon Settlement, of Mrs Ipek Ilicak Kayaalp as member of the Supervisory Board (voting item)**

The Supervisory Board proposes to conditionally appoint Mrs Ipek Ilicak Kayaalp as member of the Supervisory Board as per the Settlement Date and subject to the Settlement for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment.

Mrs Ipek Ilicak Kayaalp meets the requirements of limitation of positions as prescribed in Book 2 of the Dutch Civil Code.

Information referred to in Section 142(3), Book 2 of the Dutch Civil Code:

Name	Ipek Ilicak Kayaalp
Nationality	Turkish
Date of birth	20 November 1978
Current Position	Chairperson and Board Member, Ronesans Holding; Board Member in several subsidiaries
Previous Position(s)	Executive Board Member, Ronesans Holding
Supervisory Board Appointments	Supervisory Board Member, Renaissance Construction A.G.
Other Appointments	None
Ballast Nedam N.V. shares and/or options	None

Reason for nomination

The Supervisory Board is of the opinion that Mrs Ipek Ilicak Kayaalp fits extremely well within the profile of the Supervisory Board through her extensive experience in strategy and performance-driven organizations. Given previous managerial experience, as well as supervisory (board) positions within the industry, Mrs Ipek Ilicak Kayaalp will be of added value within the Supervisory Board.

### **Agenda item 5.3a**

#### **Announcement of a vacancy in the Supervisory Board**

To fill the vacancy resulting from the resignation of the two members of the Supervisory Board, as set forth under agenda item 5.1, the Supervisory Board has resolved to fill this vacancy on the Supervisory Board by putting agenda item 5.3a on the agenda. This vacancy should be filled with due observance of the current profile of the Supervisory Board in accordance with the Merger Agreement.

### **Agenda item 5.3b**

#### **Opportunity to recommend persons for nomination to the Supervisory Board**

Pursuant to article 16, paragraph 5, of the articles of association of the Company, the general meeting and the Central Works Council have the right to recommend persons for nomination to the Supervisory Board. The Central Works Council has indicated that it will not exercise its right to recommend a person for nomination. In the event that the general meeting does not exercise its right to recommend a person for nomination, the Supervisory Board has the intention to nominate Mr Hüseyin Avni Akvardar as member of the Supervisory Board for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment.

### **Agenda item 5.3c**

#### **Nomination by the Supervisory Board of Mr Hüseyin Avni Akvardar for conditional appointment as member of the Supervisory Board as per the Settlement Date and conditional upon Settlement**

The Supervisory Board nominates to the general meeting, with the agreement of the Board of Management, Mr Hüseyin Avni Akvardar for conditional appointment as member of the Supervisory Board as per the Settlement Date and subject to the Settlement for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment.

### **Agenda item 5.3d (voting item)**

#### **Conditional appointment, as per the Settlement Date and conditional upon Settlement, of Mr Hüseyin Avni Akvardar as member of the Supervisory Board (voting item)**

The Supervisory Board proposes to conditionally appoint Mr Hüseyin Avni Akvardar as member of the Supervisory Board as per the Settlement Date and subject to the Settlement for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment.

Mr Hüseyin Avni Akvardar meets the requirements of limitation of positions as prescribed in Book 2 of the Dutch Civil Code.

Information referred to in Section 142(3), Book 2 of the Dutch Civil Code:

Name	Hüseyin Avni Akvardar
Nationality	Turkish
Date of birth	29 November 1965
Current Position	Board Member, Ronesans Holding; Board Member in several subsidiaries
Previous Position(s)	Executive Board Member, Ronesans Russia Construction
Supervisory Board	None
Appointments	
Other Appointments	None
Ballast Nedam N.V. shares and/or options	None

#### Reason for nomination

The Supervisory Board is of the opinion that Mr Hüseyin Avni Akvardar fits extremely well within the profile of the Supervisory Board through his extensive experience with construction and development. Given previous managerial experience, as well as supervisory (board) positions within the industry, Mr Hüseyin Avni Akvardar will be of added value within the Supervisory Board.

#### **Agenda item 5.4a**

##### **Announcement of a vacancy in the Supervisory Board**

To fill the vacancy resulting from the resignation of the two members of the Supervisory Board, as set forth under agenda item 5.1, the Supervisory Board has resolved to fill this vacancy on the Supervisory Board by putting agenda item 5.4a on the agenda. This vacancy should be filled with due observance of the current profile of the Supervisory Board in accordance with the Merger Agreement.

#### **Agenda item 5.4b**

##### **Opportunity to recommend persons for nomination to the Supervisory Board**

Pursuant to article 16, paragraph 5, of the articles of association of the Company, the general meeting and the Central Works Council have the right to recommend persons for nomination to the Supervisory Board. The Central Works Council has indicated that it will not exercise its right to recommend a person for nomination. In the event that the general meeting does not exercise its right to recommend a person for nomination, the Supervisory Board has the intention to nominate Mr Emre Baki as member of the Supervisory Board for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment.

#### **Agenda item 5.4c (voting item)**

##### **Nomination by the Supervisory Board of Mr Emre Baki for conditional appointment as member of the Supervisory Board as per the Settlement Date and conditional upon Settlement**

The Supervisory Board nominates to the general meeting, with the agreement of the Board of Management, Mr Emre Baki for conditional appointment as member of the Supervisory Board as per the Settlement Date and subject to the Settlement for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment.

**Agenda item 5.4d (voting item)**

**Conditional appointment, as per the Settlement Date and conditional upon Settlement, of Mr Emre Baki as member of the Supervisory Board (voting item)**

The Supervisory Board proposes to conditionally appoint Mr Emre Baki as member of the Supervisory Board as per the Settlement Date and subject to the Settlement for a period of four years, or at least up to the first general meeting that will be held after four years have lapsed since this appointment.

Mr Emre Baki meets the requirements of limitation of positions as prescribed in Book 2 of the Dutch Civil Code.

Information referred to in Section 142(3), Book 2 of the Dutch Civil Code:

Name	Emre Baki
Nationality	Turkish
Date of birth	2 May 1975
Current Position	Board Member Ronesans Holding; Board Member in several subsidiaries
Previous Position(s)	CFO, Ronesans Holding
Supervisory Board Appointments	Supervisory Board Member, Renaissance Construction A.G.
Other Appointments	None
Ballast Nedam N.V. shares and/or options	None

Reason for nomination

The Supervisory Board is of the opinion that Mr Emre Baki fits extremely well within the profile of the Supervisory Board through his extensive experience with financial matters and business strategy. Given previous managerial experience, as well as supervisory (board) positions within the industry, Mr Emre Baki will be of added value within the Supervisory Board.

**Agenda item 6.1 (voting item)**

**Proposal to conditionally apply the mitigated large company regime (*gemitigeerd structuurregime*)**

It is proposed to apply the mitigated large company regime (*gemitigeerd structuurregime*), as per the Settlement Date and conditional upon Settlement. After Settlement the majority of the employees of the group of the Company will be employed outside the Netherlands pursuant to which the mitigated large company regime (*gemitigeerd structuurregime*) can be implemented. In a mitigated large company regime (*gemitigeerd structuurregime*), the members of the Board of Management are appointed by the general meeting and the Supervisory Board will no longer have this right. The Central Works Council has indicated that it has provided a positive advice on the transition to the mitigated large company regime (*gemitigeerd structuurregime*).

## **Agenda item 6.2 (voting item)**

### **Proposal of the Board of Management, subject to the approval of the Supervisory Board, to conditionally amend the articles of association in connection with the implementation of the mitigated large company regime (*gemitigeerd structuurregime*)**

The Board of Management, subject to the approval of the Supervisory Board, proposes to implement this transition to the mitigated large company regime (*gemitigeerd structuurregime*) by amending the articles of association of the Company as per the Settlement Date and subject to Settlement taking place and subject to the adoption of the proposal as referred to under agenda item 6.1. This proposal comprises the authorisation to execute the deed of amendment of the articles of association. This amendment of the articles will include:

- Article 3: change of references to statutory provisions for the purpose of implementation of the mitigated large company regime (*gemitigeerd structuurregime*);
- Article 13.1: grant of the right to the general meeting to determine the number of members of the board of management and to grant the title of chairman, whether or not upon a proposal of the Supervisory Board;
- Article 13.2: grant of the right to the general meeting to appoint the members of the board of management, whether or not upon a proposal of the Supervisory Board;
- Article 13.2: removal of the reference to the right of the supervisory board to notify the general meeting of a proposed appointment of a member of the board of management;
- Article 13.3: grant of the right to the general meeting to dismiss members of the board of management, to hear these members of the board of management and to enable these members of the board of management to account for themselves in that connection;
- Article 16.1: grant of the right to the general meeting to determine the number of members of the supervisory board and amendment of the reference to "three" supervisory directors to "five" supervisory directors.

The full text of the proposed amendments to the articles of association, together with an explanation in the form of a tryptich, is available for holders with meeting rights at the office of ABN AMRO Bank N.V., ("**ABN AMRO**"), Gustav Mahlerlaan 10, in Amsterdam and can be requested at the offices of the Company or at ABN AMRO, Corporate Broking (telephone number +31 20 344 2000 / e-mail: [corporate.broking@nl.abnamro.com](mailto:corporate.broking@nl.abnamro.com)). These documents are also available on the website [www.ballast-nedam.nl](http://www.ballast-nedam.nl) or on [www.abnamro.com/evoting](http://www.abnamro.com/evoting).

### **Votes, quorum and authorisation**

Pursuant to article 30, paragraph 1 under a, of the articles of association of the Company, an amendment of the articles of association requires an absolute majority of the votes cast.

By voting "FOR" agenda item 6.2, this proposal also includes granting an authorisation to every member of the Board of Management, the Company Secretary and any notarial employee of Stibbe to sign the deed of amendment pursuant to Dutch law.



#### **Agenda item 7.1a (voting item)**

##### **Designation regarding the issuance of shares in the event of the Capital Contribution after Settlement when less than (i) 95% of the issued share capital (the "Percentage"), or (ii) a number of issued depositary receipts equal to the Percentage, is or are held by the Offeror**

It is proposed to approve a designation of the issue right in connection with the Capital Contribution, whereby in the event that after Settlement and the Post-acceptance period (as described in the Offer Memorandum) following the Offer Period (as described in the Offer Memorandum), less than (i) 95% of the issued share capital (the "**Percentage**") or (ii) a number of issued depositary receipts equal to the Percentage, is or are held by the Offeror. The Capital Contribution will be in the form of a rights issue of approximately EUR 20 million (in respect of which (i) all holders of depositary receipts, subject to applicable securities laws restrictions, shall be granted the opportunity to participate and (ii) it is envisaged that Offeror shall participate in such rights issue through the exercise of all rights granted to it and through the subscription and payment for any new depositary receipts for shares in the share capital of the company not subscribed for by other holders of depositary receipts) (the "**Rights Issue**"), and in the form of a private placement of approximately EUR 27,6 million at a discount of 30%, against the theoretical ex-rights price, the terms and conditions of which are to be determined in good faith between the Company and the Offeror (the "**Private Placement**").

As the specific number of ordinary shares to be issued pursuant to the Rights Issue and the Private Placement cannot yet at this moment be determined, the Board of Management with the approval of the Supervisory Board proposes to the general meeting to designate the Board of Management, subject to the approval of the Supervisory Board, to decide upon the issue of ordinary shares in the Private Placement and the Rights Issue (including the granting of rights in the Rights Issue), up to the maximum of the authorised share capital relating to ordinary shares with due observance of the articles of association of the Company, against an issue price to be determined by the Board of Management with the approval of the Supervisory Board. This designation can only be used to issue such a number of ordinary shares as required to raise up to approximately EUR 47,6 million equity (subject to being rounded up or down) with the Rights Issue and the Private Placement.

This designation is not privative, which means that the general meeting will remain authorised to resolve to issue shares at all times. This designation can be revoked by resolution of the general meeting at all times

This designation regarding the Rights Issue and the Private Placement is requested for a period of nine months, starting on the date of this EGM and ending on 30 July 2016 and can only be used under the condition that the rights issue, as resolved to by the general meeting of the Company on 29 June 2015 and announced by the general meeting on 29 April 2015, will not take place (as described in the Offer Memorandum) and only for the purposes of effectuating the Rights Issue and the Private Placement. These authorisations will lapse on the moment the Board of Management uses its designation as referred to under agenda item 7.2a, and in any case on 30 July 2016.

#### **Agenda item 7.1b (voting item)**

##### **Designation regarding the limitation or exclusion of pre-emption rights**

The Board of Management with the approval of the Supervisory Board proposes to the general meeting to designate the Board of Management, subject to the approval of the Supervisory Board, to restrict or

exclude the statutory pre-emptive rights pertaining to the ordinary shares (and the rights pertaining thereto) in the Rights Issue and the Private Placement.

This designation regarding the restriction or exclusion of statutory pre-emptive rights can only be used under the condition that the rights issue, as resolved to by the general meeting of the Company on 29 June 2015 and announced by the general meeting on 29 April 2015, will not take place (as described in the Offer Memorandum) and only for the purposes of effectuating the Rights Issue and the Private Placement. This designation will lapse on the moment the Board of Management uses its authorisation as referred to under agenda item 7.2.a, and in any case on 30 July 2016.

#### **Agenda item 7.1c (voting item)**

##### **Confirmation capital reduction**

In the general meeting of 29 June 2015 it was resolved to reduce the capital of Ballast Nedam N.V. by reducing the nominal value of each share from EUR 1 to a nominal value of EUR 0.01 per share, without repayment, in order to create flexibility voor the at that time proposed rights issue which was part of the on 29 April 2015 announced agreements with the syndicate of financing banks of Ballast Nedam N.V.

This resolution to reduce the capital was filed with the Chamber of Commerce on 30 June 2015 and on 2 September 2015 the court, sector *Midden-Nederland*, confirmed that no opposition was made to the proposed capital reduction.

The Rights Issue requires the same capital reduction.

The Board of Management, subject to the approval of the Supervisory Board, proposes to the general meeting to implement the capital reduction, to which the general meeting has resolved on 29 June 2015, in order to create flexibility for the Rights Issue, which resolution comprises the authorisation to the Board of Management to, subject to the approval of the Supervisory Board, determine which option of the amendment of the articles of association, to which the general meeting has resolved on 29 June 2015, will be effectuated, and notwithstanding the possibility of the Board of Management to, subject to the approval of the Supervisory Board, implement the capital reduction for its original purpose, should the Rights Issue not take place. The capital reduction shall not be effectuated if both the Rights Issue as well as the rights issue to which the general meeting has resolved on 29 June 2015, will not take place.

#### **Agenda item 7.2a (voting item)**

##### **Designation regarding the issuance of shares in the event of the Capital Contribution after Settlement when the Percentage or more than the Percentage, or a number of issued depositary receipts equal to or higher than the Percentage, is or are held by the Offeror**

It is proposed to approve a designation of the issue right in connection with the Capital Contribution, in the event that after Settlement and in the post-acceptance period following the Offer Period (as described in the Offer Memorandum), the Percentage or more than the Percentage, or a number of issued depositary receipts equal to or higher than the Percentage, is or are held by the Offeror whereby the Capital Contribution will be effectuated in a form to be further determined by the Offeror.

The Board of Management with the approval of the Supervisory Board proposes to the general meeting to designate the Board of Management, subject to the approval of the Supervisory Board, to decide upon an issue of ordinary shares (including the grant of rights under a possible rights issue) up to the

maximum of the authorised share capital relating to ordinary shares with due observance of the articles of association of the Company, against an issue price to be determined by the Board of Management with approval of the Supervisory Board. This designation can only be used to issue such a number of ordinary shares as required to raise up to approximately EUR 47,6 million equity (subject to being rounded up or down).

This designation is not privative, which means that the general meeting will remain authorised to resolve to issue shares at all times. This designation can be revoked by resolution of the general meeting at all times.

This designation is requested for a period of nine months, starting on the date of this EGM and ending on 30 July 2016 and can only be used under the condition that the rights issue, as resolved to by the general meeting of the Company on 29 June 2015 and announced by the general meeting on 29 April 2015, will not take place (as described in the Offer Memorandum) and only for the purposes of effectuating this issue. This designation will lapse on the moment the Board of Management uses its authorisation as referred to under agenda item 7.1.a, and in any case on 30 July 2016.

#### **Agenda item 7.2b (voting item)**

##### **Designation regarding the limitation or exclusion of pre-emption rights**

Should a rights issue or issue occur as set forth under agenda item 7.2a, the Board of Management with the approval of the Supervisory Board proposes to the general meeting to designate the Board of Management, subject to the approval of the Supervisory Board, to restrict or exclude the statutory pre-emptive rights pertaining to the ordinary shares in that issue.

This designation regarding the restriction or exclusion of statutory pre-emptive rights can only be used under the condition that the rights issue, as resolved to by the general meeting of the Company on 29 June 2015 and announced by the general meeting on 29 April 2015, will not take place (as described in the Offer Memorandum) and only for the purposes of effectuating the issue mentioned under agenda item 7.2a. This designation will lapse on the moment the Board of Management uses its authorisation as referred to under agenda item 7.1.a, and in any case on 30 July 2016.

#### **Agenda item 8**

##### **Capital Contribution - issue and alternative consolidation of shares - proposals to amend the articles of association**

It is proposed to make the Capital Contribution in the form of the Rights Issue and in the form of the Private Placement if less than the Percentage will be acquired, and above that the Capital Contribution will be effectuated in the form as mentioned under agenda item 7.2.

#### **Agenda item 8.1 (voting item)**

##### **Increase of authorised capital; amendment to the articles of association**

The amendment to the articles of association proposed under this agenda item is meant to facilitate the Private Placement, as set out above, after the Rights Issue or the issue as referred to under agenda item 7.2 by increasing the number of shares included in the authorised capital.

At the moment of the convocation of this EGM it is insufficiently clear against which rate the shares in the Rights Issue and the Private Placement or the issue as referred to under agenda item 7.2 will be

issued. Hence, also the number of shares that is to be issued is undetermined. Dutch law prescribes that the total number of issued shares, the issued capital, can be a minimum of a fifth (1/5th) part of the authorised capital that is recorded in the articles of association. Since it is unknown how many shares will be issued, it is also unknown out of how many shares the authorised capital should consist. Three alternatives of the new authorised capital are feasible.

The three alternatives of the authorised capital are published in three alternatives of amendment to the articles of association, simultaneously with this agenda and explanatory notes.

This proposal includes an authorisation of the Board of Management to determine, under the approval of the Supervisory Board, if one of the amendments to the articles of association should take place, or, as the case may be, to choose the most appropriate alternative of the amendment to the articles of association, required to implement the Private Placement or the issue as referred to under agenda item 7.2, under exclusion of the other two alternatives.

The amendment of the articles of association can only be implemented after the amendment of the articles of association in which on 29 June 2015 is resolved to the capital reduction, is effectuated.

The full text of the proposed amendments to the articles of association, together with an explanation in the form of a tryptich, is available for holders with meeting rights at the office of ABN AMRO Bank N.V., ("ABN AMRO"), Gustav Mahlerlaan 10, in Amsterdam and can be requested at the offices of the Company or at ABN AMRO, Corporate Broking (telephone number +31 20 344 2000 / e-mail: [corporate.broking@nl.abnamro.com](mailto:corporate.broking@nl.abnamro.com)). These documents are also available on the website [www.ballast-nedam.nl](http://www.ballast-nedam.nl) or on [www.abnamro.com/evoting](http://www.abnamro.com/evoting).

#### **Votes, quorum and authorisation**

Pursuant to article 30, paragraph 1 under a, of the articles of association of the Company, an amendment of the articles of association requires an absolute majority of the votes cast.

By voting "FOR" agenda item 8.1, this proposal also includes granting an authorisation to every member of the Board of Management, the Company Secretary and any notarial employee of Stibbe to sign the deed of amendment pursuant to Dutch law.

#### **Agenda item 8.2 (voting item)**

##### **Alternative consolidation of shares; amendment to the articles of association**

On 29 June 2015 the general meeting has resolved to consolidate in connection with a rights issue that has been discussed in that meeting. If the rights issue, to which has been resolved on 29 June 2015, shall not take place, the consolidation, to which has been resolved on 29 June 2015, shall not be effectuated because of the Rights Issue and the Private Placement or the issue as referred to under agenda item 7.2, pursuant to which there may be a need for an alternative consolidation.

A higher nominal value and a higher market rate per share can be achieved by merging shares (the "**Consolidation**").

At the moment of the convocation of this EGM it is (i) not yet clear what the market rate of the depositary receipts for shares Ballast Nedam N.V. after the Rights Issue and the Private Placement or

the issue as referred to under agenda item 7.2 will be and (ii) what the envisaged market rate should be. It is proposed that the Board of Management, under approval of the Supervisory Board, shall determine what the market rate following Consolidation will be and, when doing so, determine how many shares will be merged into one share. The number of shares that will be merged into one share will not exceed 1000. Depositary receipts are merged in the same merger ratio.

The merging of the shares requires an amendment to the articles of association. Ten possible merger ratios are contemplated. Because three alternatives of the authorised capital are possible pre Consolidation as a result of agenda item 8.1, three times ten and hence thirty alternatives of the new authorised capital are feasible.

The thirty alternatives of the authorised capital are presented in thirty alternatives of an amendment to the articles of association and are published simultaneously with this agenda and explanatory notes.

This proposal also includes an authorisation of the Board of Management to determine, under the approval of the Supervisory Board, if one of the amendments to the articles of association should take place, or, as the case may be, to choose the most appropriate alternative of the amendment to the articles of association, required to implement the Consolidation, under exclusion of the other twenty-nine alternatives. This proposal also includes that, if one of the amendments of the articles of association will be implemented, that the alternatives, to which has been resolved on 29 June 2015, will no be implemented.

The full text of the proposed amendments to the articles of association, together with an explanation in the form of a tryptich, is available for holders with meeting rights at the office of ABN AMRO Bank N.V., (“**ABN AMRO**”), Gustav Mahlerlaan 10, in Amsterdam and can be requested at the offices of the Company or at ABN AMRO, Corporate Broking (telephone number +31 20 344 2000 / e-mail: [corporate.broking@nl.abnamro.com](mailto:corporate.broking@nl.abnamro.com)). These documents are also available on the website [www.ballast-nedam.nl](http://www.ballast-nedam.nl) or on [www.abnamro.com/evoting](http://www.abnamro.com/evoting).

#### **Votes, quorum and authorisation**

Pursuant to article 30, paragraph 1 under a, of the articles of association of the Company, an amendment of the articles of association requires an absolute majority of the votes cast.

By voting “FOR” agenda item 8.2, this proposal also includes granting an authorisation to every member of the Board of Management, the Company Secretary and any notarial employee of Stibbe to sign the deed of amendment pursuant to Dutch law.