

Explanation of agenda item 7b. Authorisation of the Executive Board to issue ordinary shares in relation to a rights issue

Aside from approving the designation of the Executive Board as the competent body to issue ordinary shares up to a maximum of 10% of the outstanding capital, the 'general' authority, in previous years the Annual General Meeting of Shareholders was also requested to approve the designation of the Executive Board as the competent body to issue ordinary shares up to a maximum of 10% of the outstanding capital in the event of merger, takeover and/or entering into a strategic alliance, and at the same time to restrict or rule out the preferential right when making use of this authority.

This second authority to issue 10% in ordinary shares combined with the authority to restrict or rule out the statutory preferential right has resulted in increasing criticism in recent years. Not only shareholders, but also proxy advisors and other parties representing the interests of shareholders argue that restricting and/or ruling out the statutory preferential right puts shareholders in an unfavourable position. They are excluded from participation during an issue and their shares are diluted.

The Executive Board, as well as the Supervisory Board have taken this criticism to heart and have reconsidered the authority to issue shares agenda item. The result is that the Annual General Meeting of Shareholders on 12 April 2022 will be asked to approve the designation of the Executive Board as the competent body to issue ordinary shares up to a maximum of 20% of the outstanding capital at the time of issue in relation to a rights issue and to restrict or rule out the statutory preferential right, whereby existing shareholders will receive a contractual preferential right.

With this proposal the Executive Board retains the possibility of being flexible and to quickly respond to circumstances that require the issue of ordinary shares. It gives Heijmans the flexibility to manage its capital position and enables it to immediately respond to developments in the financial market should the situation warrant it. Heijmans currently does not intend to make use of the authority to be granted on the basis of this proposal.

The authorisation takes the interests of shareholders into account by minimising the dilution of their percentage share ownership, because the authority to issue ordinary shares up to a maximum of 20% of capital may only be exercised through means of a rights issue. This rights issue, which will be effected in accordance with existing market practices, offers existing shareholders a contractual preferential right to acquire new shares in proportion to their existing share ownership. In accordance with market practices relating to such rights issues, the statutory preferential rights are ruled out in connection with legal or practical objections relating to registration dates, shared ownership, shares held by the company, or other restrictions, obligations, practical or legal restrictions under the laws and regulations of a jurisdiction or regulatory body.