

UNOFFICIAL TRANSLATION

## **NV BEKAERT SA**

Limited liability company at 8550 Zwevegem (Belgium)  
Bekaertstraat 2

BTW BE 0405.388.536 RPR Gent, division Kortrijk

### **Special report of the Board of Directors relating to the authorized capital**

21 November 2024

#### *1) Introduction*

The Board of Directors proposes to the Extraordinary General Meeting of Shareholders of 25 February 2025 (or of 14 May 2025 should the required quorum not be reached on 25 February 2025) to amend the Company's Articles of Association to renew the authorized capital authorization<sup>1</sup>.

The Board of Directors has prepared this report in application of article 7:199 CCA (authorized capital).

#### *2) Authorized capital*

##### *a. Circumstances in which the authorized capital may be used*

On 13 May 2020, the Extraordinary General Meeting of Shareholders renewed the authorization granted to the Board of Directors to increase the capital in one or more times during a period of five years, with or without excluding the preference right. Such authorization became effective on 23 June 2020, and will expire on 23 June 2025. The maximum amount of the increase is € 177 793 000.00.

The Board of Directors proposes that the Extraordinary General Meeting of Shareholders of 25 February 2025 (or of 14 May 2025 should the required quorum not be reached on 25 February 2025) authorizes the Board of Directors to increase the capital, including by issuing convertible debentures or subscription rights, with a maximum amount (exclusive of the issue premium) of:

- i. € 79 891 000.00 for capital increases with (statutory or non-statutory) preferential subscription rights for the shareholders (e.g. (statutory or "synthetic") rights issues and optional dividends), and
- ii. € 15 978 200.00 for any other capital increases.

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<sup>1</sup> If the proposed renewal is not approved by the Extraordinary General Meeting of Shareholders, the current authorization will continue to apply.

The Extraordinary General Meeting will be requested to vote separately on the proposals under (i) and (ii). If only the proposal under (i) is approved, the text under (ii) will not be incorporated in the Articles of Association (and *vice versa*).

Any such capital increases shall be effected in accordance with the modalities to be determined by the Board of Directors, e.g.:

- i. by means of a contribution in cash ('*inbreng in geld*') or in kind ('*inbreng in natura*'), or by means of a mixed contribution ('*gemengde inbreng*') within the limitations set forth in the applicable legal provisions;
- ii. by conversion of reserves ('*omzetting van reserves*'), profit carried-forward ('*overgedragen winst*') share premiums ('*uitgiftepremies*') or other equity components, or otherwise;
- iii. with or without issuing new shares, below, above, or at the fractional value of the existing shares of the same class, with or without share premium, or other securities; or
- iv. by means of issuing convertible debentures ('*converteerbare obligaties*') or subscription rights ('*inschrijvingsrechten*') (whether or not attached to another security), or other securities.

The Board of Directors will be entitled to use the authorization to increase the capital *inter alia* in the context of a stock option plan.

The Board of Directors will be entitled to use the authorization for:

- i. capital increases or issues of convertible debentures or subscription rights (whether or not attached to another security) where the preferential subscription right of the shareholders shall be limited or excluded (art. 7:200, 1° CCA);
- ii. capital increases or issues of convertible debentures where the preferential subscription right of the shareholders shall be limited or excluded for the benefit of one or more specified persons, other than members of the personnel (art. 7:200, 2° CCA), and
- iii. capital increases by conversion of the reserves (art. 7:200, 3° CCA).

On the occasion of a capital increase within the limits of the authorized capital, the Board of Directors shall be authorized to request an issue premium, which shall be mentioned on one or more separate accounts under equity in the liabilities in the balance sheet.

The Board of Directors shall, with the possibility of delegation, be authorized to have recorded the amendments to the Articles of Association that arise from the use of the authorized capital.

It is to be noted that, as a matter of Belgian company law, the Board of Directors cannot, within the framework of the authorized capital, decide to:

- i. issue subscription rights that are *mainly* reserved for one or more specific persons who are not members of the personnel (art. 7:201, 1° CCA);
- ii. issue shares with multiple voting rights or securities giving right to the issuance of or conversion in shares with multiple voting rights (art. 7:201, 2° CCA);
- iii. increase the capital mainly by way of a contribution in kind exclusively reserved for a shareholder of the Company holding securities of the Company to which more than 10% of the voting rights of the Company are attached (art. 7:201, 3° CCA); or
- iv. issue a new class of securities (art. 7:201, 4° CCA).

Furthermore, from the receipt of the notification by the Belgian Financial Services and Markets Authority (the FSMA) that it has been informed of a public takeover bid on the Company's financial instruments and until the end of such a takeover bid, the Board of Directors, again as a matter of Belgian company law, cannot use its power (i) to increase the capital through contributions in kind or in cash with cancellation or limitation of the preferential subscription rights of the shareholders; or (ii) to issue securities granting voting rights (whether or not representing the share capital) (or securities giving right to subscribe for, or acquire, such securities), if these securities or rights are not offered by preference to the existing shareholders in proportion of their shareholding (art. 7:202 CCA).<sup>2</sup> Even though the Extraordinary General Meeting of Shareholders may expressly authorize the Board of Directors to do so under certain conditions determined by law with respect to any notification of a

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<sup>2</sup> However, the obligations that would be validly entered into before the receipt of the notification could be further completed.

public takeover bid received within three years, the Board of Directors does not request such a specific authorization.

The Board of Directors will be able to use such authorization during a period of five years from the publication of the authorizing resolution of the Extraordinary General Meeting of Shareholders in the Annexes to the Belgian Official Journal.

*b. Purposes for which the authorized capital may be used*

The Board of Directors may make use of such authorization in a variety of circumstances and with various objectives, including without limitation the following:

- i. the financing of important projects;
- ii. the furtherance and preservation of the autonomy of the Company and the Bekaert Group;
- iii. the furtherance of co-operation with new partners;
- iv. the implementation of any possible future option plan, or of any other issue of shares or subscription rights reserved to personnel of the Company or its subsidiaries.

The technique of the authorized capital offers the Board of Directors a sufficient degree of flexibility and speed of implementation, which may be required in order to ensure an optimal pursuit of the interests of the Company.

The relatively complex, expensive, and time-consuming procedures for a listed company to have an Extraordinary General Meeting of Shareholders convened with a view to resolving upon a capital increase may, in certain circumstances, be incompatible with certain fluctuations on the capital markets or certain opportunities which may present themselves to the Company or with certain threats which the Company may be confronted with. The inability to, in such circumstances, timely have an Extraordinary General Meeting of Shareholders convened may be to the detriment of the Company.

Also, when the Company wishes to admit one or more institutional, strategic or other shareholders to its capital structure or wishes to finance, pay (e.g. as consideration for any public takeover bid) or support (e.g. by way of "equity kicker") a certain transaction (e.g. an acquisition (whether private or public) of securities or assets in one or more companies), capital expenditure or investment (in part or entirely) by way of issuing securities, convening an Extraordinary Meeting of Shareholders may, under the circumstances, lead, for instance, to a premature announcement of the relevant transaction which in turn may jeopardize the favorable outcome of the negotiations in respect of such transaction. In addition, making approval of the Extraordinary General Meeting of Shareholders a condition of such transaction, may, under the circumstances, jeopardize the ability to actually enter into such transactions.

The Board of Directors may also use the authorized capital in the framework of the remuneration policy of the Company (and the Bekaert Group as a whole), including for the issuance of shares, stock options or subscription rights to employees, directors, executives or consultants of the Company and its subsidiaries, as well as to persons who in the scope of their professional activity have made themselves useful to the Company and its subsidiaries.

The Board of Directors may furthermore use the authorized capital in the context of an optional dividend, regardless of whether the (whole or part of the) dividend is paid out directly in shares or if the dividend is distributed in cash and new shares can be subscribed for subsequently, either as a whole or in part.

Finally, the Board of Directors may consider using the authorized capital to finance important projects, and to promote and maintain the autonomy of the Company and the Bekaert Group, as well as to promote a cooperation with new partners.

The abovementioned terms and conditions governing the use of the authorized capital and purposes for the use of the authorized capital should be interpreted in the most extensive possible way.

3) *Conclusion*

The Board of Directors is convinced that the renewal of the authorized capital will enable it to act in the best interests of the Company.

Therefore, the Board of Directors requests the Extraordinary General Meeting of Shareholders to approve the renewal of the authorized capital.

On behalf of the Board of Directors

[signed]  
Jürgen Tinggren  
Chairman