



**EXMAR NV**

Public limited company  
Registered office: De Gerlachekaai 20, B-2000 Antwerp  
Company number BE860.409.202

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**REPORT FROM THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:199, PARAGRAPH 2  
AND 7:199 IN CONJUNCTION WITH 7:202 OF THE CODE OF COMPANIES AND ASSOCIATIONS**

**1 Introduction**

Dear Shareholders,

In accordance with article 7:199, paragraph 2 and articles 7:199 *in conjunction with* 7:202 of the new Code of Companies and Associations (hereinafter "**CCA**"), we are pleased to present our report regarding the proposal to:

- renew the authorisation of the board of directors of EXMAR NV (hereinafter "**EXMAR**" or the "**Company**") to increase EXMAR's capital, in particular concerning the specific circumstances in which the board of directors could make use of the authorised capital and for what purposes this would be intended; and
- grant authorisation to EXMAR's board of directors to increase EXMAR's capital by making use of the authorised capital, following notification from the Financial Services and Markets Authority (hereinafter "**FSMA**") that a public takeover bid has been issued for EXMAR's securities.

**2 Framework for the proposed resolutions**

**2.1 EXMAR's current situation**

The extraordinary general meeting of 16 May 2017 granted the board of directors the authority to increase the capital one or more times in application of articles 7:198 onwards of the CCA (*then articles 603 onwards of the Companies Code*), under the conditions stipulated in article 5 of the articles of association, up to a maximum amount of 12 million US Dollars (USD 12,000,000), for a period of five years (i.e. until 19 June 2022).

In addition, the extraordinary general meeting of 15 May 2018 granted authorisation to increase the capital, in application of article 7:202 of the CCA (*then article 607 of the Companies Code*), in the event of a public takeover bid for a period of three years (i.e. until 15 May 2021).

For the reasons that will be explained further in this report, the board of directors takes the view that it will be necessary to extend these authorisations concerning authorised capital. Accordingly, a proposal to grant authority to increase the capital will be presented to the extraordinary general meeting of 7 September 2020.

This proposal will seek authorisation for a maximum total amount of 12 million US Dollars, with the ability to limit or suspend the preferential rights of the existing shareholders.

## **2.2 Proposal for the authorised capital**

The board of directors proposes that the extraordinary general meeting, which will be held on 7 September 2020 (or, should it not be quorate on that date, the following extraordinary general meeting, to be held on 8 October 2020), renews the authorisation of the board of directors to increase the issued capital one or more times, and to issue convertible bonds or subscription rights that may lead to an increase in the capital by the next maximum amount of 12 million US Dollars.

Where the board of directors, within the framework of this authorisation, decides to increase the capital or to issue convertible bonds or subscription rights to which the preferential rights of the existing shareholders in principle apply, the board of directors is authorised, in the interests of the Company, (i) to limit or suspend the preferential rights of the existing shareholders, and (ii) to limit or suspend the preferential right of the existing shareholders to the benefit of one or more specific people, other than the staff at the Company or its daughter companies.

Should the board of directors decide to limit or suspend the preferential rights, a detailed justification will be included in a special report from the board of directors to the shareholders, which will also set out the issue price and the financial consequences of this decision.

If the preferential rights are suspended or limited, the board of directors may grant the existing shareholders a right of priority when issuing new shares, convertible bonds or subscription rights.

For the sake of clarity, the board of directors is also seeking the authority to use the aforementioned authorisation to carry out capital increases by means of converting capital reserves. Capital increases within the framework of this authorisation may be further carried out with or without the issuing of new shares or with the issuing of convertible bonds, subscription rights or other securities, whether or not subordinated and whether or not in connection with the Company's other securities.

The board of directors proposes that this renewed authorisation be granted for a new period of five years, to commence on the date of the extraordinary general meeting at which the authorisation is granted. This authorisation can be renewed in accordance with the applicable legal stipulations in force.

In light of this proposal, article 5 of the articles of association would be amended accordingly.

For the sake of clarity, the board of directors wishes to emphasise that, even if the general meeting were not to approve the proposal, the existing authorisation to increase the capital one or more times, in accordance with articles 7:198 onwards of the CCA (*articles 603 onwards of the Companies Code*) and as set out in article 5 of the articles of association, will remain fully in force until 19 June 2022 (i.e. five years from the date of notification of the amendment to EXMAR's articles of association in the Annexes to the Belgian Official Gazette).

### **2.3 Proposal for the authorised capital in the event of a public takeover bid**

The board of directors proposes that the extraordinary general meeting, to be held on 11 September 2020 (or, should it not be quorate on that date, the following extraordinary general meeting, to be held on 8 October 2020), grants authorisation to the board of directors to increase the capital in the context of a public takeover bid.

The board of directors proposes that this authorisation be granted for a period of three years, to commence on the date of the extraordinary general meeting at which the authorisation is granted. This authorisation can be renewed in accordance with the applicable legal stipulations.

In light of this proposal, the final paragraph of article 5 of the articles of association would be amended accordingly.

For the sake of clarity, the board of directors wishes to emphasise that, even if the general meeting were not to approve the proposal, the existing authorisation to increase the capital in the event of a public takeover bid, in application of article 7:202 of the CCA (*then article 607 of the Companies Code*) and as set out in article 5 of the articles of association, will remain fully in force until 15 May 2021.

## **3 Circumstances in which and purposes for which the authorised capital can be used**

### **3.1 Authorised capital**

The technique of authorised capital affords the board of directors a degree of flexibility and speed of implementation that may be necessary to ensure optimum management of EXMAR.

After all, the relatively complex, expensive and time-consuming procedure for calling an extraordinary general meeting for a capital increase in a listed company may, in certain circumstances, be irreconcilable with fluctuations in the capital markets or particular opportunities that may present themselves to EXMAR, which could potentially work to the Company's disadvantage.

The purposes that the board of directors may pursue in using the authorised capital are the following:

1. financing the growth of EXMAR;
2. attracting new partners;
3. remunerating a contribution in kind;

4. allowing EXMAR or its daughter companies' staff to participate in EXMAR;
5. allowing capital increases or issuing convertible bonds (or subscription rights) whereby the preferential rights of the shareholders are limited or excluded;
6. allowing capital increases or issuing convertible bonds whereby the preferential rights of the shareholders are limited or excluded to the benefit of one or more specific people, other than the staff at the Company or its daughter companies;
7. allowing capital increases that take place through conversion of the reserves;
8. allowing the issue of hybrid securities by EXMAR;
9. attracting new resources at a moment beneficial to EXMAR, given the status of the stock market prices or of the financial markets;
10. attracting new resources on foreign markets;
11. making use of commercial opportunities, such as the opportunity to acquire a company, a business, a line of business or individual assets; and
12. responding to a hostile takeover bid or to the risk of a blocking minority arising that could threaten EXMAR's anchorage, its stability, continuity or development.

These objectives should be interpreted in the widest sense of the word.

The above description of the purposes and circumstances in which the board of directors can make use of the authority granted is not exhaustive, given that the authorised capital is specifically intended for rapid responses to particular opportunities or for ease of reaction to new challenges or situations that cannot currently be foreseen for the first period of five years to follow. The standard is that the board of directors must always act in the interests of the Company.

### **3.2 Authorised capital in the event of a public takeover bid**

In light of point (12) above, the board of directors is also proposing that the general meeting should grant authorisation to increase the capital, for a period of three years, in the event that EXMAR is notified by the FSMA of a public takeover bid for its securities and that the final paragraph of article 5 of the articles of association should be amended accordingly.

In the aforementioned circumstances, the board of directors may make use of the authorisation to increase the issued capital within the authorised capital with a view to safeguarding EXMAR's interests. When deliberating upon the use of the authorised capital, the board of directors will take into account EXMAR's stability, continuity or development, as well as that of its daughter companies.

The board of directors will, in light of the practical circumstances, investigate whether a potential change to the control over or acquisition of a shareholding in EXMAR or the risk of a blocking minority arising could threaten EXMAR's interests, or those of its shareholders, and

whether the use of the authorised capital is a suitable technique for safeguarding those interests.

The board of directors is convinced that granting the aforementioned authorisations will enable it to safeguard the Company's interests in the most suitable manner.

We trust this is sufficient information for you and ask that you kindly grant the board of directors the requested authorisations to increase the issued capital in the specific circumstances and for the purposes to be pursued as set out above.

Drawn up and approved in Antwerp on 22 June 2020,

On behalf of the board of directors of EXMAR NV,

*(signatures follow)*