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**EXPLANATORY NOTE TO THE PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION
EXTRAORDINARY GENERAL MEETING OF NOVEMBER 9, 2020**

The board of directors proposes to align the articles of association of the company to the Code of companies and associations (the **CCA**) that applies as of January 1, 2020 to existing companies¹, and on that occasion also to simplify, complement and update the articles of association. Accordingly, the board of directors proposes to adopt an entirely new version of the articles of association in accordance with the draft that is made available to all shareholders on the website (<https://www.avh.be/en/investors/shareholder-information/general-meetings/year/2020>) and is also available for perusal at the registered office (address: Begijnenvest 113, 2000 Antwerp).

This note explains the proposed amendments to the company's articles of association point by point (except for the replacement of references to (specific articles of) the old Companies Code by (the corresponding articles of) the CCA). A version of the articles of association showing each of the proposed amendments is also available (in Dutch, the official language of the company) on the website (<https://www.avh.be/en/investors/shareholder-information/general-meetings/year/2020>).

Chapter I.- Name – Registered Office – Purpose – Duration

- Heading and Article 1 (legal form – name): the CCA provides for the deletion of the status of “a company that makes, or has made, a public call on savings” and maintains only the category of “listed companies”, which is defined in Article 1:11 CCA.
- Article 2 (registered office – website and e-mail address): the CCA expressly provides that the articles of association must specify the region in which the company has its registered office, and confirms that the board of directors is competent to transfer the registered office insofar as that transfer does not involve a mandatory change of language.
- Article 2 (registered office – website and e-mail address): in accordance with the CCA, listed companies are required to include a website and e-mail address in their articles of association with a view to communicate with their shareholders, among others.

¹ The CCA was introduced by the Act of March 23, 2019 introducing the Code of companies and associations and containing miscellaneous provisions, as published in the Belgian Official Gazette of April 5, 2019, and last amended by the Act of April 28, 2020 transposing Directive (EU) 2017/828 of the European Parliament and of the Council of May 17, 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, and containing miscellaneous provisions regarding companies and associations, as published in the Belgian Official Gazette of May 4, 2020.

- Article 3 (purpose): a simple change of terminology in accordance with the CCA: the activities carried on by a legal entity are henceforth consistently referred to in Dutch by the term “voorwerp” (*purpose*) (instead of “doel”).
- Article 4 (duration): an adaptation to the wording of the CCA. The provisions concerning liquidation are contained in Chapter X of the articles of association.

Chapter II. - Capital - Shares

- Article 6 (form of the shares): deletion of a reference that is no longer relevant, and adjustments to the wording in accordance with the CCA.
- Article 7 (shares not fully paid up – obligation to pay up): adjustments for the purposes of flexibility and updating (by referring to the more common legal interest rate).
- Article 9 (authorised capital): the board of directors refers to its special report drawn up in accordance with article 7:199 CCA as submitted to the shareholders’ meeting. The proposed adjustments are aimed at simplifying and updating the provision in line with current legislation, such as the CCA (with terminological changes such as replacement of the term “warrants” (*warrants*) by “inschrijvingsrechten” (*subscription rights*), deletion of the word “maatschappelijk” in references to the capital) and the Income Tax Code (regarding the booking of share premiums).
- Article 10 (capital increase): specification that the board of directors may, where appropriate, also limit or cancel the preferential subscription right in the context of the authorised capital.
- Article 11 (share transfer): this reiterates the provisions of the CCA concerning the enforceability of a valid transfer of shares, both with regard to registered shares and dematerialized shares.
- Article 12 (indivisibility of the securities): these are essentially terminological changes, since the provisions are in keeping with the rules that have also been introduced in the CCA, such as with regard to the award in principle of all rights attached to the shares to the usufructuary, unless this is specifically derogated from in an agreement or will. The rule that the preferential subscription right is attributed to the bare owner is maintained in the articles of association and therefore constitutes a deviation from the supplementary rule prescribed by the CCA.
- Article 13 (sealing): these are essentially terminological changes.

Chapter III. - Bonds

- Article 14 (issuance of bonds): specification that the board of directors may, where appropriate, also issue bonds and subscription rights (new term for warrants under the CCA) in the context of the authorised capital.

Chapter IV. – Acquisition of own shares

- Article 15 (acquisition of own shares): besides a number of terminological changes and additions, the following changes implemented by the CCA were incorporated in this article: (i) the cancellation of the dividend rights attached to the treasury shares in the possession of the company or a person acting in its own name but on behalf of the company, (ii) abolition of the rule that a company may acquire maximum 20% of its shares, so that the funds available for distribution constitute the only upper limit for acquisitions of treasury shares, (iii) specification that the unavailable reserve must also comprise the acquisition value of the treasury shares held by a direct subsidiary, and (iv) deletion of the requirement of a general authorisation for the disposal of treasury shares, and addition of the requirement of an express authorisation to dispose of treasury shares to one or more specific persons, other than members of the personnel.

Chapter V. - Governance and representation

- Article 16 (appointment and dismissal of directors): adaptations to the wording of the CCA, without altering the substance of the provisions. The company maintains the monistic governance model. The reference to the composition of the board of directors in accordance

with the CCA for listed companies refers to, among other things, the gender representation rules and the requirements concerning independent directors.

- Article 17 (co-optation): adaptations to the wording of the CCA, without altering the substance of the provisions.
- Article 19 (convocation of the board of directors): this relates to changes concerning the daily management (see article 23 below).
- Article 20 (decision-making within the board of directors): adjustments for the purposes of flexibility and updating, such as the possibility to give multiple proxies to a single director, and relaxing of the rules concerning written decision-making as introduced by the CCA.
- Article 21 (meeting minutes): this relates to changes concerning the daily management (see article 23 below).
- Article 22 (competences of the board of directors): adaptations to the wording of the CCA, without altering the substance of the provisions.
- Article 23 (daily management – general management – special powers of attorney – committees within the board of directors): in view of the choice of the monistic governance model, all references to the “directiecomité” (*management committee*) should be deleted. The daily management can still be delegated to one or more persons, who need not be directors. Where the daily management is delegated to several persons, they are required to act as a collegial body. Where the daily management is delegated to one person, named “CEO”, the board of directors may create a committee, composed of the CEO and one or more executives. Such committee will be tasked with discussing the general management of the company. Such committee does not constitute a corporate body with legal powers, but may be granted certain powers by a special power of attorney. Each person entrusted with the daily management or each member of such committee, acting jointly with a director, may validly represent the company (see article 24).
- Article 24 (external representation of the company): necessary adjustments to the external representation rules taking into account the changes in article 23.
- Article 25 (remuneration): enunciates the principle that the general meeting decides on the remuneration of the directors. In the second paragraph, the necessary adjustments are made taking into account the changes in article 23.

Chapter VII. - General meetings

- Article 28 (ordinary general meeting): for practical reasons, it is proposed henceforth to hold the ordinary general meeting at 2.00 pm instead of at 3.00 pm. The change in the fifth paragraph is an addition in accordance with the powers of the ordinary general meeting as set forth in the CCA.
- Article 29 (special and extraordinary general meeting): the CCA reduced the threshold requirement to be entitled to convene a general meeting from 20% to 10% of the capital.
- Article 30 (convocation of the general meeting): this is simply a clarification.
- Article 31 (admission to the general meeting): adaptations to the wording of the CCA. It is specified that both a valid proxy form and a valid voting form can serve as confirmation of participation.
- Article 32 (representation at the general meeting): adaptations to the wording of the CCA.
- Article 33 (remote voting in advance of the general meeting): adjustments in accordance with article 7:146 CCA.
- Article 34 (voting right): this is simply a change of terminology, without altering the substance of the provisions.
- Article 36 (decision-making within the general meeting): this is simply a clarification.
- Article 39 (meeting minutes): additions in accordance with the CCA.

Chapter VIII. - Financial year - Result appropriation - Dividends

- Article 40 (financial year): this is simply a change of terminology.

- Article 41 (result appropriation): adaptations to the wording of the CCA (including the deletion of the word “maatschappelijk” in the reference to the capital).
- Article 42 (dividends – interim dividends): the deletion allows recourse to the flexibility provided for in article 7:213 CCA in respect of interim dividends.

Chapter IX. - Winding up and liquidation

- Article 43 (winding up): an update of the earlier provision in line with the CCA.

Chapter X. - General provisions

- Article 44 (election of domicile – notifications): adjustments and additions in line with the rules concerning election of domicile and communication as provided for in the CCA. Note that the CCA provides for an increased flexibility and modernized communication with the shareholders: all communication can be organized by email if the shareholder provides his/her/its email address to the company.
- Article 45 (reference – internal rules): this new provision reiterates the general principle that the CCA applies to matters that are not expressly regulated in the articles of association and that the mandatory provisions of the CCA take precedence over the articles of association. Finally, the articles of association provide for the possibility, as offered by the CCA, to introduce a set of internal rules, without, however, making use of this option right away.