

PART V: SHARES AND SHAREHOLDERS

V.1. CAPITAL AND SHARES

The Company's registered capital is represented by shares without par value. The current amount of the registered capital and the current number of issued shares are mentioned in the Articles.

The shares are made out in multiples of 1, 10, 50, 100 and 1 000. The shares are in registered, bearer or non-material form.

An owner of fully-paid registered shares can request their conversion into non-material shares at the Company's expense.

An owner of bearer shares can request their conversion into registered shares or non-material shares at the Company's expense.

An owner of non-material shares can request their conversion into registered shares at the Company's expense.

Shareholders wishing to convert their shares as aforesaid should contact their financial institution. Bekaert's legal department is available by telephone (+32 56 230536) or by e-mail (registered.shares@bekaert.com) to answer any questions in this respect.

V.2. PRINCIPAL SHAREHOLDERS

V.2.1. History

The Company was founded by Leon Leander Bekaert in 1880.

Successive generations of Bekaert family members have provided a stable reference shareholding ever since (the "principal shareholders").

V.2.2. Major shareholders

According to notifications received under the Act of 2 May 2007 on the disclosure of significant participations (the Transparency Act), the following are the major shareholders of the Company:

- Stichting Administratiekantoor Bekaert, Velge & Co in liquidation, Berfin SA, Subeco SA, Millenium 3 SA and Gedecor SA, in their capacity as persons acting in concert who have concluded an agreement (a) aimed either at acquiring control, at frustrating the successful outcome of a bid or at maintaining control, and (b) to adopt, by concerted exercise of the voting rights they hold, a lasting common policy, together hold 7 736 861 Company shares and voting rights;
- AXA S.A., in its capacity as parent company or controlling person, indirectly holds 598 821 Company shares and voting rights;
- BlackRock Inc., in its capacity as parent company or controlling person, indirectly holds 660 385 Company shares and voting rights.

V.3. COMMUNICATION WITH SHAREHOLDERS

V.3.1. Website

A permanent tool of communication is available through www.bekaert.com.

V.3.2. Investor relations

The Company organizes an Investor Relations function which ensures adequate communication with existing and potential investors.

Several group and individual meetings are held with financial analysts and investors. Those meetings provide information on financial results and corporate strategy.

The annual report is available on the Internet well in advance of the Annual General Meeting, in Dutch and English, at www.bekaert.com and can be downloaded as an Adobe™ .pdf file.

The Company recognizes that the continuous support of the principal shareholders, and the resulting stability in its shareholding, are a beneficial factor for its development and its prosperity, which is to the benefit of all shareholders of the Company.

The Board is therefore attentive to the appreciation and the signals that it receives from the principal shareholders, and shall maintain a constructive dialogue with them. Twice a year, this constructive dialogue shall be externalized through the organization of a "Principal Shareholders Day", during which the Chairman, the Board and the CEO on the one hand and the principal shareholders on the other hand can exchange their thoughts about the Group.

Within the framework of its task to foster sound investor relations, the Board should ensure that shareholders having declared a shareholding of at least 10% under the transparency rules are in this respect treated on the same footing as the principal shareholders.

V.3.3. Discretion

The Board and the BGE, and each of its members, shall at all times ensure that all shareholders of the Company are treated equally. All information about the Company shall be communicated to all shareholders at the same time and in the same manner. In this respect, the Directors who are in a direct or indirect manner related or linked to the principal shareholders shall be specifically aware of their duty of discretion.

V.4. GENERAL MEETINGS OF SHAREHOLDERS

V.4.1. Date and place

The Articles stipulate that the Annual General Meeting shall be held on the second Wednesday in May.

Extraordinary or Special General Meetings of Shareholders may be convened as the Board deems necessary.

The investors section of the Company's website describes the shareholders' rights to participate and vote at General Meetings, and contains a timetable on periodic information and General Meetings.

V.4.2. Powers

The following powers are reserved by law to the General Meeting:

- the appointment, the dismissal and the remuneration of Directors;
- the appointment, the dismissal and the remuneration of the Statutory Auditor;
- the discharge to the Directors and to the Statutory Auditor for the performance of their duties during the previous financial year, and the filing of the *actio mandati*;
- the approval of the annual accounts;
- the appropriation of profit (including the dividend);
- amendments to the Articles;
- capital increase or decrease;
- the authorization to the Board to increase the capital (authorized capital);
- the authorization to the Board to purchase Company shares, and related transactions.

V.4.3. Procedure

The Chairman of the Board of Directors chairs the Annual General Meeting.

The meeting can only consider and adopt resolutions on the items appearing on the agenda, but ample time is allowed for questions. All shares carry the same rights and each share entitles the holder to one vote.

Any shareholder representing 5% or more of the share capital is entitled to request items to be included in the agenda.

Minutes of the Annual General Meeting are taken and approved at the Meeting. The minutes, including the results of the votes, are posted on the Company's website as quickly as practicable after each General Meeting.

V.5. DIVIDEND POLICY

Principle

It is the policy of the Board to propose a profit appropriation to the Annual General Meeting which, insofar as the profit permits, provides a stable or growing dividend while maintaining an adequate level of cash flow in the Company for investment and self-financing in order to support growth. In practice, this means that the Company seeks to maintain a pay-out ratio of around 40% of the consolidated net result over the longer term.

Dividends are subject to Belgian withholding tax at the rate of 25%. Such rate is reduced to 15% if the dividend coupon is presented jointly with a VVPR strip. A VVPR strip is an entitlement to a decreased withholding tax on dividends, which is incorporated into a security that is listed and traded separately from the Company's shares on NYSE Euronext Brussels.