

Unofficial translation

**NV Bekaert SA  
Bekaertstraat 2  
8550 Zwevegem**

**BTW BE 0405.388.536 RPR Kortrijk**

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**Special report of the Board of Directors  
pursuant to Article 604 of the Companies Code  
relating to the authorized capital**

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**27 February 2014**

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On 9 May 2012 the Extraordinary General Meeting of Shareholders extended for five years the authority granted to the Board of Directors to increase the registered capital in one or more times, with or without excluding the preference right. Such authority became effective on 5 June 2012, and will expire on 4 June 2017. The maximum amount of the increase is € 176 000 000,00.

The same Extraordinary General Meeting extended the authority granted to the Board of Directors to increase the registered capital, by making use of the authorized capital and subject to Article 607 of the Companies Code, upon receipt by the Company of a notice from the Financial Services and Markets Authority of a public take-over bid for the Company's securities. Such authority also became effective on 5 June 2012, and will remain in effect in respect of any such notice that may be received by the Company on 4 June 2015 at the latest.

The Board of Directors proposes that the General Meeting of Shareholders extend the authority referred to in the preceding paragraph to make use of the authorized capital procedure in the case of a public take-over bid for the Company's securities. Within the limits of the general authority relative to the authorized capital referred to in the first paragraph of this report and subject to the provisions of Article 607 of the Companies Code, the Board of Directors can use such authority in view of the protection and defence against a public take-over bid launched for the Company or in the case of an imminent take-over bid.

The Board of Directors will be able to use such authority in respect of any public take-over bid notice that is received by the Company from the Financial Services and Markets Authority during a period of three years (although the current authority pursuant to Article 607 of the Companies Code will not expire until 4 June 2015, the Board of Directors wants to avoid the risk of a temporary lapse of the authority that might occur if the authority were not to be extended until 2015 and if publication were to suffer a delay).

The Board of Directors is convinced that the extension of the authority pursuant to Article 607 of the Companies Code will enable it to act in the best interests of the Company should the case arise.

On behalf of the Board of Directors

*[signed]*  
Baron Buysse  
Chairman