

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 authorised capital**

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**18 December 2015**

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On 9 May 2012 the Extraordinary General Meeting of Shareholders extended the authority granted to the Board of Directors to increase the registered capital in one or more times during a period of five years, 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.

On 14 May 2014 the Extraordinary General Meeting of Shareholders extended the authority granted to the Board of Directors to increase the registered capital, by making use of the authorised 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 became effective on 26 June 2014, and will remain in effect in respect of any such notice that may be received by the Company on 25 June 2017 at the latest.

The Board of Directors has in the past used the authorised capital authority to issue subscription rights pursuant the stock option plan introduced on 16 September 2005 for the benefit of the senior managers and certain executive employees of the Company and a number of its subsidiaries (the "SOP 2005-2009 Plan").

The Board of Directors proposes that the Extraordinary General Meeting of 30 March 2016 (or of 11 May 2016 should the required quorum not be reached on 30 March 2016) grant it a new authority to make use of the authorised capital procedure up to a maximum amount of € 176 000 000 (i.e. slightly less than the present amount of the registered capital), and in addition extend the authority for the case of a public take-over bid for the Company's securities. The Board of Directors may make use of such authority 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 stock option plan, or of any other issue of shares or profit-sharing bonds reserved to employees of the Company or its subsidiaries; and
- (v) subject to Article 607 of the Companies Code, the protection and defense 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 authorities during a period of five years from the publication of the authorising resolution of the General Meeting in the Annexes to the Belgian Official Journal, except in the circumstances referred to in item (v) of the preceding paragraph, where the authority will be valid only 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 authorities will not expire until 4 June 2017 and 25 June 2017 respectively, the Board of Directors wants to avoid the risk of a temporary lapse of an authority that might occur if the authority were to be extended in 2017 and if publication were to suffer a delay.

The Board of Directors is convinced that the extension of the authorised capital authorities will enable it to act in the best interests of the Company.

On behalf of the Board of Directors

*[signed]*  
Albrecht De Graeve  
Chairman