

## **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 shares are mentioned in the Articles.

The shares are in registered or dematerialized form.

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

An owner of dematerialized 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 76 66 81) or by email ([registered.shares@bekaert.com](mailto:registered.shares@bekaert.com)) to answer any questions in this respect.

In accordance with the Act of 14 December 2005 on the abolition of bearer securities, the Bekaert bearer shares for which no rightful owners came forward before or on 2 October 2015, were sold by the Company. The proceeds from the sale were transferred to the Deposit and Consignments Fund. From 1 January 2016 onwards, rightful owners can claim from the Deposit and Consignments Fund restitution of the amounts derived from the sale after recovery of a fine.

## **V.2. PRINCIPAL SHAREHOLDER**

### **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.

### **V.2.2. Principal shareholder**

According to notifications received under the Act of 2 May 2007 on the disclosure of significant participations (the Transparency Act), Stichting Administratiekantoor Bekaert is the principal shareholder of the Company. The holdings of Company shares and voting rights notified by the principal shareholder are set forth in the Investors section of the Company's website [www.bekaert.com](http://www.bekaert.com).

The number and the identity of the Directors appointed from among candidates nominated by the principal shareholder, their principal occupation, Board seniority, Board Committee membership and remuneration are disclosed in the Corporate Governance Statement of the annual report. Any material related party transactions between the Company and its Directors are disclosed in the notes to the consolidated financial statements.

The Group's executive management does not include any member related to the principal shareholder.

#### V.2.3. Other major shareholders

In addition to the disclosure thresholds of 5% and each multiple of 5% the Company has included the thresholds of 3% and 7.50% in its Articles. Any transparency notification outstanding at any time is set forth in the Investors section of the Company's website [www.bekaert.com](http://www.bekaert.com).

### V.3. COMMUNICATION WITH SHAREHOLDERS

#### V.3.1. Website

A permanent tool of communication is available through [www.bekaert.com](http://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 Company's website well in advance of the Annual General Meeting, in Dutch and English, at [www.bekaert.com](http://www.bekaert.com) and can be downloaded.

The Company recognizes that the continuous support of the principal shareholder, 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 shareholder, and maintains a constructive dialogue with them. Twice a year, this constructive dialogue is externalized through the organization of a "Principal Shareholder Day", during which the Chairperson, the Board and the CEO on the one hand and the principal shareholder on the other hand can exchange their thoughts about the Group.

The Board encourages the principal shareholder to clearly express its strategic objectives to the Board in a timely manner, to make a considered use of its position, and to take special care to prevent conflicts of interest and to respect the rights and interests of minority shareholders.

Within the framework of its task to foster sound investor relations, the Board shall 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 shareholder.

#### 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 shareholder 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 at 10:30 a.m. 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 in, 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, 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 Chairperson 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.

One or more shareholders holding together at least 3% of the share capital are 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 future growth. In practice, this means that the Company seeks to maintain a pay-out ratio of around 40% of the result for the period attributable to the Group over the longer term.