



ABLYNX NV

Limited Liability Company
("Naamloze vennootschap")

Registered offices: Technologiepark 21, 9052 Zwijnaarde

Company number: 0475.295.446

RPR Ghent

(the "Company")

**SPECIAL REPORT BY THE BOARD OF DIRECTORS
IN ACCORDANCE WITH ARTICLE 583 OF THE BELGIAN COMPANY CODE ("BCC")
REGARDING (I) THE ISSUE OF WARRANTS FOR THE BENEFIT OF CERTAIN EMPLOYEES AND (II) THE ISSUE
OF WARRANTS FOR THE BENEFIT OF CERTAIN CONSULTANTS**

The board of directors of the Company (the "**Board**") proposes to issue (i) a maximum of three hundred thousand (300.000) warrants for the benefit of certain employees (the "**Employees SOP**"), free of charge, and (ii) a maximum of three hundred forty thousand (340,000) warrants for the benefit of certain consultants (the "**Consultants SOP**"), free of charge, each of such warrants entitling the holder thereof to subscribe for one new common share of the Company against payment of an exercise price (as set out below in Article 3 of this report), per warrant exercised, to be immediately and fully paid up upon exercise of the relevant warrant (the "**Warrants**"). The Warrants will be issued with cancellation of the shareholders' preferential subscription rights.

The Board refers to its special report in accordance with Article 596 (and as the case may be 598) BCC of even date herewith, in which the Board justifies the proposal to cancel the shareholders' preferential subscription rights to the benefit of certain employees and consultants of the Company (and mainly for the benefit of consultants), in particular regarding the issue price and the financial consequences of the transaction for the shareholders, and in which in accordance with Article 598 BCC the identities of the beneficiaries under the Consultants SOP (insofar they are "certain persons" within the meaning of Article 598 BCC) are set out.

In this report, the Board, in accordance with Article 583 BCC, will describe the purpose and justification for both issues of Warrants. Furthermore, for the purpose of completeness, the Board will also describe the exercise price and financial impact on the existing shareholders and warrantholders of the issue of the Warrants (which will also be described in the special report of the Board in accordance with Article 596 (and as the case may be Article 598) BCC).

The capitalized words in this report are defined in Section 2.

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1. Justification for the issue of the Warrants

The issues of the Warrants aims to achieve the following purposes:

- i. creating a long-term incentive for the selected employees and consultants who are able to contribute substantially to the success and growth of the Company;
- ii. providing the Company with the necessary means to recruit and retain competent and experienced staff members; and
- iii. creating a common interest between the Selected Participants on the one hand and the shareholders of the Company on the other, aimed at an increase in the value of the Company's shares.

The Board of Directors believes that these purposes are in the interest of the Company.

The proposed issue and exercise conditions of the Warrants are, as far as the tax treatment of the Warrants is concerned, in accordance with the conditions set out in the Law of March 26, 1999 concerning the Belgian action plan for employment 1998 and in particular with Articles 41 through 49 of this law, insofar as the Warrants would be subscribed for by persons who would thereby receive a benefit in kind arising out of or in connection with their professional activity.

2. Definitions

The words below shall have the following respective meaning for the purposes of this report:

Affiliated Company	a company affiliated with the Company within the meaning of Article 11 of the Belgian Company Code;
Beneficiary	the person who is designated in accordance with Article 5.3.6.2 by the Warrantholder to exercise the rights of the Warrantholder attached to the Warrants after his death;
Board	the board of directors of the Company;
Company	Ablynx NV, with registered offices at 9052 Zwijnaarde, Technologiepark 21 and with company number 0475.295.446;
Consultancy Agreement	the agreement other than an Employment Agreement pursuant to which services are provided to the Company or an Affiliated Company;
Date of the Offer	the date on which the proxyholder offers the Warrants to the

	Selected Participants in accordance with the second paragraph of Article 5.2.2;
Director Mandate	the mandate of a director of the Company or an Affiliated Company;
Employment Agreement	the agreement within the meaning of the Belgian law of July 3, 1978 on employment agreements (or an agreement under a legal system other than Belgian law that corresponds in substance to an employment agreement) pursuant to which a person in a subordinated relationship provides services to the Company or an Affiliated Company;
End of the Employment Agreement or the Consultancy Agreement or the Director Mandate	the effective date of the termination, for any or no reason, of the Employment Agreement or the Consultancy Agreement between the relevant Selected Participant and the Company or an Affiliated Company or the Director Mandate of the Selected Participant, with the exception of a termination that is coupled with a simultaneous employment under a (possibly new) Employment Agreement or a (possibly new) Consultancy Agreement with the Company or an Affiliated Company or by the (possibly new) appointment as Director of the Company or an Affiliated Company;
Exercise Period	the period or periods during which the Warrantholder in accordance with Article 5.3.5 may exercise the Warrants granted with a view to acquiring common shares of the Company;
Exercise Price	the price for the acquisition of one common share upon exercise of a Warrant, as set out herein;
Offer	the offer of the Warrants that has been notified to the Selected Participant in accordance with Article 5.2.2;
Proxyholder of the General Meeting	The person to whom the general meeting of the Company grants a proxy to determine, based on a recommendation by the Remuneration Committee of the Company, the number of Warrants which will be offered to each of the Selected Participants and to provide all acts necessary or useful to the offering of the Warrants and to achieve the issue of Warrants. The Proxyholder of the General Meeting will be a director who is not Selected Participant himself.

Securities

shares, bonds and other securities whether or not representing the share capital or granting voting rights, as well as securities that give the right to subscribe for or acquire securities or to convert into securities;

Selected Participant

the person to whom Warrants will be offered by the Proxyholder of the General Meeting of shareholders. The Selected Participants under the Employees SOP are the persons who at the time of the Offer will be associated with the Company by way of an Employment Agreement, and whom by the Proxyholder of the General Meeting of shareholders Warrants will be offered.

The Selected Participants under the Consultants SOP are the following persons who at the time of the Offer will be associated with the Company by way of a Consultancy Agreement and whose identity is set out in accordance with Article 598 BBC :

Edwin Moses

Eva-Lotta Allan

Josi Holz

Antonio Parada

NV Woconsult, Chief Financial Officer, or its permanent representative Wim Ottevaere.

In addition, under the Consultants SOP Warrants will also be offered to the following category of persons (other than "certain person" within the meaning of Article 598 BBC): the CSO of the Company, who is still to be recruited.

Subscription Form

the form that the Selected Participant must complete and sign for acceptance or refusal of the Warrants offered to him/her, and that (in case of acceptance) entails a proxy to subscribe before a notary for the Warrants offered to him/her;

Transfer

the selling, offering, engaging in a deferred sale ("*verkoop op termijn/vente à terme*") or pledging of Securities or the granting of a right of usufruct ("*vruchtgebruik/usufruit*") or any other right with regard to Securities or the granting of options to buy or sell Securities or the disposing of Securities in any other manner or the conclusion of a swap or other agreement which in part or entirely transfers the economic advantages or the ownership of Securities, whether or not for consideration, whether by reason of universal transfer ("*algemene rechtsopvolging*")/"*transfert*

universel") or otherwise and whether or not such transfer is settled by means of a transfer of securities, in cash or in any other manner;

Warrant	as defined above;
Warrantholder	the person entered into the Company's Warrant registry as the holder of one or more Warrants;

3. Issue price and exercise price

The Warrants will be offered free of charge.

Each Warrant will entitle the holder thereof to subscribe, under the conditions specified below, for one common share.

With regard to the Warrants that will be offered to the CSO (who at the time of the Offer will be associated with the Company by way of a Consultancy Agreement) and the VP Technology (who at the time of the Offer will be associated with the Company by way of an Employment Agreement), who are both still to be recruited, , the Exercise Price of the Warrants will, in view of the Law of 26 March 1999, be equal to the highest of the following two values: (i) the average closing rate of the share on Euronext Brussels during a period of thirty days before the date of the extraordinary general meeting (as defined below), as indicated in a letter which will be sent to the Selected Participants after the date of the extraordinary general meeting, and (ii) the lowest of the following two values: (a) the average closing rate of the share on Euronext Brussels during a period of thirty days before the Date of the Offer, or (b) the final closing rate before the Date of the Offer, , as to be determined in the Offer.

With regard to the remaining Warrants, in view of the Law of 26 March 1999 (and, as the case may be, for the consultants whose identity was published in accordance with Article 598 BCC, in view of Article 598 BBC), the Exercise Price of Warrants will be (at least) equal to the average closing rate of the share during a period of thirty days before the Date of the Offer, as to be determined in the Offer.

4. Consequences for the existing shareholders and warrant holders

In case the maximum number of Warrants to be issued (640,000 Warrants), would be subscribed for and in case such Warrants would all be exercised, the dilution that would result from such exercise (in terms of relative shareholding, *i.e.* pro rata participation in the voting rights in, and the profits of, the Company) for the existing shareholders (currently 43,658,611 common shares) and warrant holders (currently warrants giving right to an aggregate of 2,386,909 shares) amounts to,

on a non-diluted basis (i.e. without taking into account the impact on the existing warrant holders), as well as on a fully diluted basis, as set out in the table hereunder:

	% in relation to the existing shares (= on a non-diluted basis)	% on a fully diluted basis
640,000 Warrants to be issued	1.47	1.37

Ablynx NV has an aggregate of 3,579,600 outstanding warrants, 2,385,382 warrants of which entitle their holders to an aggregate of 1,192,691 shares (two warrants giving right to subscribe for one share) and 1,194,218 warrants of which entitle their holders to an aggregate of 1,194,218 shares (one warrant giving right to subscribe for one share). The aggregate number of voting rights that can be obtained upon exercise of the outstanding warrants amounts to 2,386,909.

The total number of outstanding Warrants currently amounts to 5.18% of the total amount of outstanding shares (on a fully diluted base).

The board of directors is of the opinion that the percentage of outstanding Warrants (also after the proposed issue) is not unusual compared to companies similar to the Company, in the same sector.

The issue of the Warrants may in addition cause an economic shift from the shareholders to the warrant holders at the occasion of the exercise of the Warrants, if the value of the common shares would be higher than the Exercise Price of the Warrants at the time of the issue of common shares further to the exercise of Warrants. This is an inherent trait of the Warrants to be issued, and the Board believes that this potential economic shift is acceptable in the light of the benefits for the Company associated with the issue of the Warrants, and even desirable, given the purpose of the issue of the Warrants, as set out in Section 1 of this report.

The net intrinsic value of the existing shares on the date of the draft annual accounts of the Company that was approved by the board of directors and that prior to the issue of warrants, will be submitted for approval to the general meeting of the Company amounted to [EUR] per (at that time existing) share (and € 3.87 per (at that time existing) share. Based on the current stock price of the share of the Company, the Board expects that the exercise price of the Warrants will be substantially higher than the net intrinsic value.

The costs with respect to the services, performed in consideration for the grant of these warrants will under IFRS be booked as a cost in the consolidated accounts of the Company. The aggregate amount of these costs will be spread out over the vesting period and determined on the basis of the actual value of the warrants on the date of the grant by applying the Black & Scholes model. As the Company has suffered losses over the past couple of years and as it can

be expected that this will also be the case in 2011, the booking of these costs has no impact on the profit per share as this is already negative, nor does it have an impact on the equity.

5. Issue and exercise conditions

5.1. Number of common shares

Each Warrant shall entitle the Holder thereof to subscribe for one (1) common share.

5.2. Offer of, subscription for, and vesting of the Warrants

5.2.1. Qualifying persons

The Warrants will be offered to the Selected Participants.

The Company will apply the appropriate tax and social security treatment resulting from the subscription for free for the Warrants by Selected Participants that accept the Offer and to which the Belgian tax law of March 26, 1999 applies.

5.2.2. Offer of Warrants to the Selected Participants

The Offer of the Warrants to the Selected Participants, save for the CSO and the VP Technology who are still to be recruited, will occur on the basis of a decision of the proxyholder appointed by the meeting of the Board, who shall determine the number of Warrants that will be offered to each of the Selected Participants.

The Offer of the Warrants to the CSO and the VP Technology who are still to be recruited, will occur on the recruitment of, or within a reasonable period after the recruitment of, the CSO or the VP Technology, respectively, by the Company, on the basis of a decision of the Proxyholder of the General Meeting who will determine how much warrants will be offered to him/her, on the basis of a recommendation by the Remuneration Committee of the Company,

The Selected Participants will be informed in writing by the proxyholder of the Offer that will set out the number of Warrants that is offered to the relevant Selected Participant, as well as the issue and exercise conditions of such Warrants. A Subscription Form will be attached to the notification.

5.2.3. Subscription period

Each Selected Participant associated with the Company by way of Employment Agreement, with the exception of Mr. Frank Landolt and Mr. Guido Gielen, must inform the Company within a period of seventy-five (75) calendar days as of the Date of the Offer by means of the Subscription Form of his/her acceptance or refusal of the Warrants offered to him/her.

Each Selected Participant associated with the Company by way of Consultancy Agreement, as well as Mr Frank Landolt and Mr. Guido Gielen (each associated with the Company by way of Employment Agreement) (ie all persons entitled to be present at meetings of the Executive Committee), must inform the Company within a period of seventy-five (75) calendar days as of the Date of the Offer by means of the Subscription Form of his/her acceptance or refusal of the Warrants offered to him/her.

The acceptance regarding both issues may relate to all or part of the Warrants offered. For the avoidance of doubt, it is specified that no parts of Warrants will be issued.

In the event of acceptance, the Subscription Form must be returned. The Selected Participant that has not informed the Company of its acceptance before the expiry of the period of sixty (60) or seventy-five (75) calendar days, respectively, as of the Date of the Offer by means of the Subscription Form, shall irrefutably be deemed to have refused the Offer. The offer lapses upon the expiry of such period of sixty (60) or seventy-five (75) calendar days, respectively, and no acceptance of Warrants will be possible thereafter.

The Subscription Form at the same time serves as a proxy (which is necessary) to establish before a notary the subscription for the Warrants by the relevant Selected Participant.

5.2.4. Granting of the Warrants

After the expiry of the period of sixty (60) or seventy-five (75) calendar days, respectively, referred to above, the proxyholder will within a reasonable period of time proceed to the recordation of the realization of the issue of the Warrants for the number of Warrants that have been subscribed for by the Selected Participants.

5.2.5. Vesting of the Warrants

Without prejudice to the other exercise conditions of the Warrants (amongst others, Articles 5.3.6 and 5.3.7), the Warrants that are granted to a Selected Participant shall only be acquired in a final manner ("**vested**") (and may therefore be exercised during the Exercise Periods) over a four year period, with 25% of the Warrants vesting on the first anniversary of the decision in principle of the meeting of the Board to issue these Warrants, and the balance vesting in equal monthly installments thereafter (one forty-eighth, approximately 2.08%, of the aggregate number of Warrants that are granted to a Selected Participant vesting per month) and subject to the condition that this person continues to be an Employee, Consultant or Director at the relevant vesting date.

The vesting always relates to whole Warrants. In case 25% or one forty-eighth of the aggregate number of Warrants granted to the relevant Selected Participant does not correspond to a whole number, the resulting number shall be reduced to the lower whole number, and every month one additional Warrant shall vest as soon as the sum of the fractions disregarded until that time,

equals one (in other words, this additional Warrant constitutes the sum of the fractions of a Warrant that have been disregarded upon the vesting of the previous portion(s)).

Upon the End of the Employment or Consultancy Agreement or the Director Mandate of the relevant Selected Participant between one of the dates set out above, no additional Warrants shall vest for this part of a month.

5.3. Other terms and conditions of the Warrants

5.3.1. Issue Price

The Warrants may be subscribed for without charge.

5.3.2. Registered Warrants

The Warrants will be in registered form and shall be entered into the registry of warrant holders that is kept at the registered offices of the Company. They cannot be converted into bearer warrants.

5.3.3. Exercise Price

The Exercise Price (as determined above in Article 3 of this report) will be allocated to the entry "capital" for an amount that is equal to the fractional value of the common shares prevailing at the time of the issue of common shares upon exercise of the relevant Warrant. Any amount exceeding the fractional value will be allocated to the entry "issue premium" that will constitute the guarantee of third parties in the same manner as the capital and will be booked on an unavailable reserve account, that can only be decreased or cancelled by way of a decision of the Company's shareholders taken in accordance with the rules applicable to the amendment of the Articles of Association.

5.3.4. Term of the Warrant

The term of the Warrants under the Employees SOP shall be seven years as of the decision to issue the Warrants.

The term of the Warrants under the Consultants SOP shall be seven years as of the decision to issue the Warrants.

5.3.5. The Exercise Periods

Without prejudice to Articles 5.2.5, 5.3.6 and 5.3.7, the Warrants that are vested may only be exercised, in accordance with Article 5.3.10, as of the beginning of the fourth calendar year following the calendar year in which the Date of the Offer lies and such only during the first fifteen days of each quarter (the "**Exercise Period(s)**"). The first fifteen days of the last possible full quarter within the term of the Warrants constitutes the last Exercise period. However, in case such period would fall within a "closed period" or a "prohibited period" as defined in the Company's Dealing Code (but, in respect of the "prohibited periods", only such prohibited periods as indicated under (currently) IV.E.(a) and (b) of the Dealing Code), the relevant exercise period will be extended until after the end of such "closed period" or "prohibited period" with such number of days as it was prohibited to deal during the initial 15-day period pursuant to the Dealing Code. The first fifteen days of the last possible full quarter within the term of the warrants constitutes (extended, as the case may be, in accordance with the above, provided that such extension can never exceed the term of the Warrants) the last Exercise Period. Each Exercise Period shall end on the last bank business day of the relevant Exercise Period.

The Warrantholder is free not to exercise all or part of the vested Warrants during an Exercise Period, and to postpone the exercise of the Warrants that are not exercised to a later Exercise Period, without prejudice, however, to the exceptions and restrictions set out in Articles 5.3.6 and 5.3.7.

The Warrants (that are (still) exercisable but) that are not exercised at the end of the last Exercise Period, will lapse automatically and become of no value.

The Board may decide to provide for one or more additional Exercise Period(s) between the beginning of the fourth calendar year following the calendar year in which the Date of the Offer lies and the end of the last Exercise Period as described above.

5.3.6. Exercisability of the Warrants: exceptions and restrictions

5.3.6.1. End of the Employment Agreement, Consultancy Agreement or the Director Mandate

(i) End of the Employment Agreement, Consultancy Agreement or the Director Mandate for serious cause

Upon the End of: (i) the Employment Agreement for serious cause (within the meaning of Article 35 of the Belgian law of July 3, 1978); (ii) the Consultancy Agreement because of breach of contract; or (iii) the Director Mandate for serious cause ("*zwaarwichtige reden*"), on account of the Selected Participant that is also Warrantholder, before the exercise of the Warrants, the Warrants of the relevant Selected Participant (whether or not vested pursuant to Article 5.2.5) that are not yet exercised at that time, will lapse automatically and become of no value.

(ii) End of the Employment Agreement, Consultancy Agreement or the Director Mandate for a reason other than the reasons set out in Articles 5.3.6.1(i), 5.3.6.2 and 5.3.6.3

Upon the End of the Employment Agreement, Consultancy Agreement or the Director Mandate of a Selected Participant that is also Warrantholder, for a reason other than the reasons set out in Articles 5.3.6.1(i), 5.3.6.2 and 5.3.6.3, the Warrants that at that time (pursuant to Article 5.2.5) are vested, may be exercised during the then running or first upcoming Exercise Period.

Contrary to Article 5.3.5, second paragraph, the Warrants of the relevant Selected Participant that were not exercised during such Exercise Period, cannot be transferred to a later Exercise Period and shall lapse automatically and become of no value after expiry of such Exercise Period (whether or not they were vested pursuant to Article 5.2.5).

5.3.6.2. Death

Upon the death of a Warrantholder before the exercise of a Warrant that, in accordance with the issue and exercise conditions, is still exercisable or may still become exercisable, the Warrants of the Warrantholder that are not yet exercised, are transferred to the Beneficiary of the Warrantholder and such Warrants may be exercised by the Beneficiary at the time and in accordance with the terms and conditions set out in the issue and exercise conditions. The Warrants of the relevant Warrantholder that at the time of death are not vested in accordance with Article 5.2.5, will lapse automatically and become of no value.

A Warrantholder may only designate his spouse and/or one or more other legal successors as Beneficiary.

The designation, as well as the revocation and re-designation of a Beneficiary must be done in writing.

In the absence of any valid designation in accordance with the two preceding paragraphs, the persons that are the legal successors to the Warrantholder under applicable law, will be deemed to be the Beneficiary. In the event that there are several successors, all successors acting together, or, as the case may be, a person designated by all successors acting together, will be deemed to be the Beneficiary.

5.3.6.3. Retirement

Upon the End of the Employment Agreement, Consultancy Agreement or the Director Mandate of the Selected Participant that is also Warrantholder, because of his legal retirement or the reaching of the retiring age, the Selected Participant retains its vested Warrants and may continue to exercise such Warrants at the time and in accordance with the issue and exercise conditions. The Warrants of the relevant Warrantholder that at the time of his retirement are not vested in accordance with Article 5.2.5, will lapse automatically and become of no value.

5.3.7. Acceleration of the exercise of the Warrants

5.3.7.1. Cases of accelerated exercise of the Warrants

In the following events, the Warrantholder is entitled to an accelerated exercise of its Warrants, whether or not they are vested pursuant to Article 5.2.5, in accordance with the formalities set out below and having regard to, and bearing, any tax consequences resulting from the accelerated exercise:

- (i) liquidation of the Company;
- (ii) sale of all or substantially all of the assets of the Company;
- (iii) a public tender offer being launched on the Company's shares.

The tax consequences of an accelerated exercise will be borne exclusively by the relevant Warrantholder.

The Company shall inform the Warrantholders in writing in case one of the foregoing events occurs.

In case the Warrantholder, in case the event under (i) or (ii) occurs, as described above, does not wish to exercise its Warrants in an accelerated manner, such Warrants will lapse automatically and become of no value.

5.3.8. Non-transferability of the Warrants

The Warrants are not transferable except: in case of death of a Warrantholder, in which case the Warrants held by the Warrantholder at the time of death are transferred to the Beneficiary in accordance with Article 5.3.6.2. Any tax consequences of a transfer pursuant to an obligation under the Articles of Association will be borne by the Warrantholder.

5.3.9. Common shares to which the Warrantholder is entitled

5.3.9.1 Each Warrant entitles the holder thereof to subscribe for one common share of the Company.

The transferability of the common shares that have been subscribed for upon the exercise of a Warrant, is at any time subject to the provisions of the Articles of Association of the Company, as they are in effect (possibly as amended from time to time) at that time.

The common shares that are issued upon the exercise of the Warrants, will entitle the holder thereof to dividends as of the beginning of the financial year during which the Warrants are

exercised, or, in case the Warrants are exercised at a time that the annual shareholders' meeting has not yet decided on the allocation of the result of the preceding financial year, as of the beginning of the financial year preceding the financial year during which the Warrants are exercised.

5.3.9.2 The Company will only be held to issue common shares for the benefit of the Warrantholder upon the exercise of Warrants provided that the requirements set out in Article 5.3.10 are fulfilled. Upon exercise of a Warrant, no fractions of common shares will be issued.

In the event of exercise of Warrants, the common shares will be issued, in accordance with Article 591 of the Belgian Company Code, as soon as reasonably possible after the end of the relevant Exercise Period, taking into account the required administrative and company law formalities.

After the issue of common shares upon the exercise of Warrants, the Board will arrange for the registration of such new common shares in the share registry of the Company in the name of the subscriber. The Company as soon as reasonably possible will arrange for the admission to listing of the new common shares.

5.3.10. Exercise procedure

An exercisable Warrant will only be validly exercised if not later than the last day of the relevant Exercise Period:

- (i) - the Board of Directors has received a registered letter (with acknowledgement of receipt) sent to the registered offices of the Company and addressed to the Board indicating that Warrants are exercised. The letter will explicitly indicate the number of Warrants to be exercised; or
 - the by KBC, that takes care of the practical settlement of the exercise procedure, hereto communicated formalities are completed; and
- (ii) the Board of Directors has received full payment of the common shares that are subscribed for upon Exercise of the Warrants, by way of bank transfer to an account of the Company, the number of which will be communicated by the Company; and
- (iii) the Board of Directors, in case the Warrants are exercised by a person or persons other than the Selected Participant, has received adequate evidence of the right of this person or these persons to exercise the Warrant; and
- (iv) the Board of Directors has received declarations and documents deemed necessary or desirable by the Board for purposes of any applicable law or regulation, and the submission of which is requested by the Board.

Regardless of the point in time during the Exercise Period at which the actions set out above occur, the Warrants will be deemed to be exercised on the last day of such Exercise Period.

5.3.11. Costs and taxes

Stamp duties, stock exchange taxes and other similar duties or taxes that may be due upon the exercise of the Warrants and/or the acquisition of common shares, will be borne by the Warrantholders.

5.4. Modifications of the capital structure of the Company – reservation of rights

By way of deviation from Article 501 of the BCC and without prejudice to the exceptions provided by law, the Company reserves the right to adopt any resolution that it deems necessary with respect to its capital, its Articles of Association or its management. Such resolutions may include, amongst others: a capital decrease whether or not with repayment to the shareholders, a capital increase by way of incorporation of reserves whether or not combined with the creation of new shares, a capital increase in kind, a capital increase in cash whether or not with limitation or cancellation of the shareholders' preferential subscription right, an issue of profit certificates, of convertible bonds, of preferential shares, of bonds cum warrant, of ordinary bonds or warrants, an amendment to the provisions of the Articles of Association regarding the distribution of profits or the (net) proceeds of liquidation or other rights attached to the common shares, a stock split, a distribution of stock dividend, a dissolution of the Company, a legal merger, a legal de-merger or a contribution or transfer of a universality or of a branch of activity whether or not combined with the exchange of shares. The Company may adopt such resolutions even if they (could) imply a reduction in the benefits conferred to the Warrantholder by the issue and exercise conditions of the Warrants or the law, unless such a reduction is obviously the only purpose of such resolution.

In the event of a legal merger or legal de-merger, the Board shall provide all reasonable efforts to obtain that the Warrants that are still outstanding at the date of such transaction, will be replaced by warrants in the merger company or in the split companies in accordance with the exchange ratio applied to the then existing common shares of the Company.

5.5. Exercise of the Warrants in accordance with the law

In the event that the Warrantholder exercises Warrants pursuant to Article 501 of the BCC, the common shares so obtained will not be transferable as long as the Warrants but for such exercise would otherwise not yet have been exercisable in accordance with the issue and exercise conditions. Any tax consequences of such exercise will be borne by the Warrantholder.

Article 501 of the BCC provides that: "in the event of a capital increase by way of a contribution in cash, all warrantholders may exercise their warrants, notwithstanding any provision to the

contrary in the Articles of Association or in the issue terms, and may as a shareholder subscribe for the new issue, in so far as the existing shareholders have such right”.

5.6. Miscellaneous

5.6.1. Applicable law

The Warrants and the issue and exercise conditions of the Warrants are governed by Belgian law.

5.6.2. Competent courts

Any dispute regarding the Warrants or the issue and exercise conditions thereof may only be submitted to the courts of the registered office of the Company.

5.6.3. Notifications

Any notification to the Warrantholder will be made by registered letter at the address mentioned in the registry of warrant holders or by notification in writing with acknowledgement of receipt.

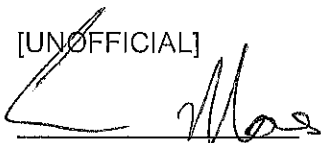
Any notification to the Company, the Board or the proxyholder will be made validly by way of a registered letter addressed to the registered office of the Company or by notification in writing with acknowledgement of receipt.

Any notification will be deemed to have been received three business days after the date of the postmark of the registered letter. Changes of address must be notified in accordance with this Article 5.6.3.

Zwijnaarde, 29 March 2011

On his own behalf, as well as on behalf of the members of the Board represented by him as special proxyholder

[UNOFFICIAL]



Edwin Moses
Chairman