

Prospectus dated 8 October 2019



**NV BEKAERT SA**

public limited liability company (*naamloze vennootschap/société anonyme*) under Belgian law  
(the "Issuer")

**Public offer in Belgium and admission to trading on a regulated market**

2.75% fixed rate bonds due 25 October 2026 for a maximum aggregate nominal amount of EUR 200,000,000  
Denomination: EUR 1,000  
Issue Price: 101.875%  
Gross actuarial yield at Issue Price: 2.455% (on an annual basis)  
Net actuarial yield at Issue Price: 1.639% (on an annual basis)  
Minimum subscription amount: EUR 1,000  
ISIN Code: BE0002673540 - Common Code 206429992  
(the "Bonds")

*The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the original rate of interest of 2.75% per annum and is based on the assumption that the Bonds will be held until 25 October 2026 (the "Maturity Date") when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until the Maturity Date. The net yield reflects a deduction of Belgian withholding tax at the current rate of 30%. Investors should consult Part 9: Taxation of this Prospectus for further information about Belgian taxation.*

Issue Date: 25 October 2019

Subscription Period: from 11 October 2019 at 9 am (CET) until 18 October 2019 at 5.30 pm (CET) included (subject to early closing)

Application has been made for the Bonds to be listed and to be admitted to trading on the regulated market of Euronext Brussels on or about the Issue Date.

This Prospectus has been approved as a prospectus by the Belgian *Financial Services and Markets Authority (Autorité des Services et Marchés Financiers/Autoriteit voor Financiële Diensten en Markten)* (the "FSMA"), as competent authority under Regulation (EU) 2017/1129 (the "Prospectus Regulation"). The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FSMA should not be considered as an endorsement of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

**This Prospectus will, pursuant to Article 12 of the Prospectus Regulation be valid until 8 October 2020, provided that it is completed by any supplement required by Article 23 of the Prospectus Regulation.**

**This Prospectus may be used by the Issuer only or others who have obtained the Issuer's consent until the later of (i) the end of the Subscription Period or (ii) the time when trading of the Bonds on the regulated market of Euronext Brussels begins. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.**

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**These Bonds constitute debt instruments. An investment in the Bonds involves risks. By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on an annual basis and to reimburse the principal on the Maturity Date. In case of bankruptcy or default by the Issuer, the investors may not recover the amounts they are entitled to and risk losing all or part of their investment. The Bonds are intended for investors who are capable of evaluating the interest rates in light of their knowledge and financial experience. An investment decision must solely be based on the information contained in the present Prospectus. Before making any investment decision, the investors must read the Prospectus in its entirety (and, in particular, Part 2: *Risk factors* on pages 10-24 of the Prospectus). Investors should in particular note that the long tenor of the Bonds might increase the materiality of the identified risk factors related to the Issuer and the Bonds, that the Issuer's debt ratio is substantially increased over the last three to four years and that it is exposed to a (re)financing risk. Each potential investor must investigate carefully whether it is appropriate for this type of investor to invest in the Bonds, taking into account his or her knowledge and experience and must, if needed, obtain professional advice.**

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**Global Coordinator**

**BNP PARIBAS FORTIS SA/NV**

**Joint Bookrunners – Joint Lead Managers**

**BNP PARIBAS FORTIS SA/NV**

**ING BANK N.V., BELGIAN BRANCH**

**KBC BANK NV**

## TABLE OF CONTENTS

|         |  |     |
|---------|--|-----|
| Part 1  | Summary of the prospectus .....                    | 3   |
| Part 2  | Risk factors.....                                  | 10  |
| Part 3  | Important information .....                        | 24  |
| Part 4  | Documents incorporated by reference.....           | 32  |
| Part 5  | Terms and Conditions of the Bonds .....            | 34  |
| Part 6  | Clearing .....                                     | 54  |
| Part 7  | Description of the Issuer.....                     | 55  |
| Part 8  | Use of proceeds .....                              | 81  |
| Part 9  | Taxation.....                                      | 82  |
| Part 10 | Subscription and sale.....                         | 91  |
| Part 11 | General information .....                          | 100 |
| Part 12 | Form of change of control put exercise notice..... | 102 |

## PART 1 SUMMARY OF THE PROSPECTUS

*The below summary (the “Summary”) has been prepared in accordance with the content and format requirements of the Prospectus Regulation.*

*The Summary has been prepared in English and translated into Dutch and French. The Issuer is responsible for the consistency of the English, French and Dutch versions of the Summary. In case of inconsistency between the different language versions of the Summary, the English language version shall prevail.*

### INTRODUCTION

**This summary should be read as an introduction to this Prospectus. Any decision to invest in any Bonds should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference. An investor in the Bonds could lose all or part of the invested capital. Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff may, under national law where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to the Issuer solely on the basis of this summary, including any translation of it, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.**

The Bonds described in this Summary are 2.75% fixed rate bonds due 25 October 2026 for a maximum aggregate nominal amount of EUR 200,000,000 with International Securities Identification Number (ISIN): BE0002673540 (the “Bonds”), issued by NV Bekaert SA, having its statutory seat at Bekaertstraat 2, 8550 Zwevegem, Belgium, and registered with the Crossroads Bank for Enterprises under number 0405.388.536, business court of Ghent, division Kortrijk (the “Issuer”). The Issuer’s Legal Entity Identifier (LEI) is 5493008SR6XZECH6BN71.

This Prospectus has been approved as a prospectus by the Belgian Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers/Autoriteit voor Financiële Diensten en Markten*) (the “FSMA”), Rue du congress 12-14, 1000 Brussels, Belgium, on 8 October 2019.

### KEY INFORMATION ON THE ISSUER

#### *Who is the Issuer of the securities?*

The Issuer is a public limited liability company incorporated and domiciled in Belgium.

The Issuer, together with its Subsidiaries (“Bekaert” or the “Group”), is a world market and technology leader in steel wire transformation and coating technologies. Bekaert (Euronext Brussels: BEKB) was established in 1880 and is a global company with approximately 29,000 employees worldwide, headquarters in Belgium and EUR 5 billion in combined sales in 2018.

Bekaert’s core competences are transforming steel wire and applying unique coating technologies. Depending on the customers’ requirements, Bekaert draws wire in different strengths and diameters, even as thin as ultra-fine fibers of 1 micron. Wires are grouped into cords, strands and ropes, woven or knitted into fabric, or processed into an end product. Depending on the application, Bekaert applies high-tech coatings which reduce friction, improve corrosion resistance, or enhance wear resistance or adhesion with other materials. Bekaert annually buys more than 3 million tons of wire rod, the primary raw material.

The Issuer's major shareholder is Stichting Administratiekantoor Bekaert (which is not controlled) ("STAK Bekaert") which controls the Issuer. Seven out of thirteen members of the Board of Directors have been appointed upon the nomination of STAK Bekaert.

Mr. Matthew Taylor is the CEO of the Issuer and Mr. Taoufiq Boussaid is the CFO.

The Issuer's statutory auditor is Deloitte Bedrijfsrevisoren CVBA, with statutory seat at Gateway building, Luchthaven Brussel Nationaal 1 J, B-1930 Zaventem, Belgium, represented by Charlotte Vanrobaeys.

### ***What is the key financial information regarding the Issuer?***

| <i>in millions of EUR</i>                                   | <i>FY2018</i> | <i>FY2017</i> | <i>1H 2019</i> | <i>1H 2018</i> |
|---|---------------|---------------|----------------|----------------|
| <b><i>Income statement</i></b>                              |               |               |                |                |
| Operating result (EBIT)                                     | 147           | 318           | 115            | 101            |
| <b><i>Balance sheet</i></b>                                 |               |               |                |                |
| Net financial debt  | 1,153         | 1,151         | 1,253          | 1,339          |
| <b><i>Cash flow statement</i></b>                           |               |               |                |                |
| Cash flows from operating activities                        | 244           | 244           | 134            | (17)           |
| Cash flows from financing activities                        | (102)         | (209)         | (56)           | (54)           |
| Cash flows from investing activities                        | (157)         | 30            | (60)           | (60)           |
| <b><i>Key Alternative Performance Measures ("APMs")</i></b> |               |               |                |                |
| Net debt  | 1,153         | 1,151         | 1,253          | 1,339          |
| EBIT-underlying   | 210           | 301           | 126            | 111            |
| EBIT interest coverage                                      | 1.8           | 4.0           | 3.6            | 2.4            |
| Financial autonomy  | 34.1%         | 35.6%         | 34.6%          | 33.9%          |
| Current Ratio   | 1.2           | 1.6           | 1.5            | 1.5            |
| Gearing (Net debt on Equity)                                | 76.0%         | 72.7%         | 81.0%          | 86.8%          |
| Net debt on underlying EBITDA                               | 2.7           | 2.3           | 2.6            | 3.1            |

### ***What are the key risks that are specific to the Issuer?***

In purchasing the Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect its business and ability to make payments due. These factors include:

- The Issuer's business, results of operations and financial condition could be materially affected by global economic and political conditions;
- Turning around the profitability of weaker performing businesses and other restructuring actions take time and weigh on the profitability of the Issuer;
- Wire rod price volatility may result in further margin erosion;
- The Issuer's debt ratio is substantially increased over the last three to four years and it is exposed to a (re)financing risk;
- Failure to adequately protect the Issuer's intellectual property could substantially harm its business and operating results.
- The Issuer is exposed to regulatory and compliance risks;
- Adverse business performances or changes in underlying economic climate may result in impairment of assets; and

- The Issuer is subject to stringent environmental laws.

## KEY INFORMATION ON THE SECURITIES

### *What are the main features of the securities?*

The Bonds described in this Summary are 2.75% fixed rate bonds due 25 October 2026 for a maximum aggregate nominal amount of EUR 200,000,000 with International Securities Identification Number (**ISIN**) BE0002673540. The currency of the Bonds is Euro (€) (**EUR**).

There are no restrictions on the free transferability of the Bonds, other than customary selling restrictions.

The denomination of the Bonds is EUR 1,000.

The Bonds will be issued in dematerialised form under the *Wetboek van Vennootschappen/Code des Sociétés* dated 7 May 1999, as amended or replaced from time to time, including with effect from its applicable effective date, by the Belgian *Wetboek van vennootschappen en verenigingen/Code des sociétés et des associations* dated 23 March 2019 (the “**2019 Belgian Companies and Associations Code**”), as amended from time to time and cannot be physically delivered. As of 1 January 2020, the 2019 Belgian Companies and Associations Code will apply with respect to the Issuer.

### *Status (Ranking)*

The Bonds constitute direct, unconditional, unsubordinated and (subject to the provisions of negative pledge below) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

The Bonds are structurally subordinated to the secured obligations of the Issuer and the secured and unsecured debt of the Issuer’s Subsidiaries. The right of the holders of Bonds (the “**Bondholders**”) to receive payment on the Bonds is not secured or guaranteed. Upon a winding-up of the Issuer or if insolvency proceedings are brought in relation to the Issuer, the Bonds will be effectively subordinated to all of the Issuer’s other secured indebtedness (if any) to the extent of the value of the collateral securing such indebtedness.

### *Taxation*

All payments in respect of the Bonds will be made without deduction for or on account of withholding taxes imposed by the Kingdom of Belgium, unless such withholding or deduction is required by law. In the event that any such deduction is made, the Issuer will not be required to pay additional amounts to cover the amounts so deducted.

### *Negative pledge*

The terms of the Bonds contain a negative pledge provision which limits, in certain circumstances, the Issuer’s right to create or permit to subsist any security interest over any of its assets or business.

### *Events of default*

The terms of the Bonds contain, amongst others, the following events of default:

- (a) default in payment of any principal or interest due in respect of the Bonds, continuing for a specified period of time;
- (b) non-performance or non-observance by the Issuer of any of its other covenants, agreements or undertakings in the Prospectus;

- (c) any other present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised is not paid when due or, as the case may be, within any applicable grace period, provided that the aggregate amount of the relevant indebtedness equals or exceeds EUR 20,000,000 or its equivalent;
- (d) events relating to the insolvency or winding up of the Issuer;
- (e) the Issuer disposes of all or substantially all of its assets or ceases to carry on all or substantially all of its business other than: (i) on terms approved by the general meeting of Bondholders; or (ii) for the purposes of or pursuant to any other form of reorganisation or restructuring while solvent that does not adversely affect the interests of the Bondholders;
- (f) (i) a material change of the general nature of the activities of the Issuer, as compared to the activities as these are carried out on the Issue Date, occurs or (ii) a reorganisation of the Issuer occurs resulting in a material change of the general nature of the activities of the Issuer as these are carried out on the Issue Date, other than for (i) and (ii) on terms approved by the general meeting of Bondholders;
- (g) any security interest such as a mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) provided that in each case the aggregate amount of indebtedness equals or exceeds EUR 20,000,000 or its equivalent in any other currency; and
- (h) the cancellation or suspension of trading of the Bonds on the regulated market of Euronext Brussels during 15 consecutive Business Days as a result of a default of the Issuer, except if the Issuer obtains the effective listing of the Bonds on another regulated market in the European Economic Area at the latest upon expiration of this period.

If an event of default occurs and is continuing then any Bond may, by notice in writing given by any Bondholder to the Issuer at its statutory seat with a copy to the agent under the Bonds (the “**Agent**”) at its specified office, be declared immediately due and repayable at its principal amount together with accrued interest (if any) to the date of payment, without further formality.

### *Meetings*

The terms of the Bonds contain provisions for calling meetings of holders of the Bonds to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

The Agent and the Issuer may agree, without the consent of the Bondholders, to (i) any modification of the provisions of the Agency Agreement or any agreement supplemental thereto that is not materially prejudicial to the interests of the Bondholders, or (ii) any modification of the Bonds, the Conditions of the Bonds, or the Agency Agreement that is of a formal or technical nature, made to correct a manifest error or to comply with provisions of mandatory law.

Each such change is binding for all Bondholders and any such modification shall be notified to the Bondholders as soon as practicable thereafter.

### *Governing law*

Belgian law.

### *Interest*

The Bonds bear interest from their date of issue at the fixed rate of **2.75** per cent. per annum. Interest will be paid annually in arrears on **25 October** in each year. The first interest payment will be made on **25 October 2020**.

The gross actuarial yield of the Bonds is 2.455 per cent. The net actuarial yield of the Bonds is 1.639 per cent. The net yield reflects a deduction of Belgian withholding tax at the current rate of 30%.

#### *Redemption*

Subject to any purchase and cancellation or early redemption, the Bonds will be redeemed on 25 October 2026 (the “**Maturity Date**”) at par.

The Bonds may not be repaid at the option of the Issuer prior to the Maturity Date.

In the event that a change of control (subject to certain conditions) occurs in respect of the Issuer, each Bondholder will have the right to require the Issuer to repay all or part of such Bondholder’s Bonds. In case certain events of default occur, Bondholders may give notice to the Issuer to declare any Bond due and payable.

#### *Representative of holders*

Not Applicable – No representative of the Bondholders has been appointed by the Issuer.

#### *Where will the securities be traded?*

Application has been made by the Issuer (or on its behalf) for the Bonds to be listed and to be admitted to trading on the regulated market of Euronext Brussels.

#### *Is there a guarantee attached to the securities?*

Not Applicable – there is no guarantee attached to the Bonds.

#### *What are the key risks that are specific to the securities?*

There are also risks associated with the Bonds, including a range of market risks, including:

- the right of the Bondholders to receive payment on the Bonds is not secured or guaranteed and the Bonds are structurally subordinated to the secured obligations of the Issuer and the secured and unsecured debt of the Issuer’s subsidiaries;
- the Issuer may not be able to repay the Bonds at their maturity, pursuant to a change of control or an event of default;
- the Bonds may be redeemed prior to maturity;
- the conditions of the Bonds may be modified without the consent of the holder in certain circumstances;
- the issue price and/or the offer price of the Bonds will include certain additional fees and costs which may not be taken into account for the purposes of determining the price of the Bonds on the secondary market;
- changes in interest rates will affect the value of the Bonds as they bear interest at a fixed rate; and
- there is currently no active trading market for the Bonds and there are secondary market risks (i.e., investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments).

### **KEY INFORMATION ON THE OFFER OF BONDS AND ADMISSION TO TRADING ON A REGULATED MARKET**

#### *Under which conditions and timetable can I invest in the Bonds?*

This issue of Bonds is being offered in a Public Offer in Belgium.

The Issuer authorises that this Prospectus may be used for the purposes of a public offer until the last day of the subscription period, which runs from 11 October 2019 at 9 am (CET) until, subject to early closure, 18 October 2019 at 5.30 pm (CET) included (the “**Subscription Period**”) in Belgium, by any financial intermediary authorised pursuant to MiFID II to conduct such offers (an “**Authorised Offeror**”).

**Any Authorised Offeror envisaging to use this Prospectus in connection with a permitted Public Offer is obliged to state on its website, during the Subscription Period, that this Prospectus is used for a permitted Public Offer with the authorisation of the Issuer and in accordance with the relevant applicable conditions.**

**AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY BONDS IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH BONDS TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.**

The Bonds will be issued on 25 October 2019.

The Public Offer and the issue of the Bonds is subject to a limited number of conditions set out in a subscription agreement entered between the Joint Lead Managers and the Issuer, which are customary for this type of transaction.

The minimum amount of application for the Bonds is EUR 1,000.

Early termination of the Subscription Period will intervene at the earliest on 11 October 2019 at 5.30 pm (CET) (the “**Minimum Sales Period**”). In case of early termination of the Subscription Period, a notice will be published as soon as possible on the websites of the Issuer ([www.bekaert.com/en/investors/information-center/financial-instruments-bonds](http://www.bekaert.com/en/investors/information-center/financial-instruments-bonds)) and the Joint Lead Managers (BNP Paribas Fortis ([www.bnpparibasfortis.be/emissions](http://www.bnpparibasfortis.be/emissions)), ING ([www.ing.be](http://www.ing.be), go to “Beleggen – Obligaties” or “Investir – Obligations”) and KBC ([www.kbc.be/bekaert](http://www.kbc.be/bekaert))). This notice will specify the date and hour of the early termination. In certain circumstances, a supplement to the Prospectus will be published.

Except in the case of oversubscription, a prospective subscriber will receive 100% of the amount of the Bonds validly subscribed to by it during the Subscription Period. Retail Investors are therefore encouraged to subscribe to the Bonds on the first business day of the Subscription Period before 5.30 pm (CET) to ensure that their subscription is taken into account when the Bonds are awarded, subject, as the case may be, to a proportional reduction of their subscription.

Application has been or will be made to Euronext Brussels for the Bonds to be listed and admitted to trading on the regulated market of Euronext Brussels. References in this Prospectus to the Bonds as being “**listed**” (and all related references) shall mean that the Bonds have been listed on Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels. The regulated market of Euronext Brussels is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (“**MiFID II**”). Prior to the Public Offer, there has been no public market for the Bonds.

The issue price will be 101.875% for each of the Bonds (the “**Issue Price**”). This price includes the following commissions to the benefit of the Joint Lead Managers:

- (a) investors who are not Qualified Investors (as defined below) (the “**Retail Investors**”) will pay a selling and distribution commission of 1.875% (the “**Retail Commission**”);
- (b) investors who are qualified investors as defined in the Prospectus Regulation (the “**Qualified Investors**”) will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount up to 1.875% based among others on (i) the evolution of the credit quality of the Issuer (credit spread), (ii) the evolution of interest rates, (iii) the success (or lack of success) of the placement of the Bonds, (iv) the market environment and (v) the principal amount of Bonds purchased by an investor, each as determined by each Joint Lead Manager in its sole discretion (the “**QI Commission**”).

All the costs incurred by the Issuer with respect to the issue of the Bonds (including the costs of legal fees, the auditor, Euronext Brussels, the Agent, the FSMA and costs related to marketing) are to be borne by the Issuer and are estimated to be approximately EUR 265,000.

The financial services in relation to the Bonds will be provided free of charge by the Joint Lead Managers. Investors must inform themselves about the costs that their financial institutions might charge them.

***Why is this prospectus being produced?***

The proceeds from the issue of Bonds (which are, before deduction of the costs, fees and charges related to the Bonds (which are estimated to be approximately EUR 265,000), expected to amount to EUR 200,000,000) will be applied by the Issuer to (i) repay the outstanding amount of EUR 89,500,000 million under the Bridge Loan (as defined further in the Prospectus) and (ii) partially (for a remaining amount of EUR 110,500,000) repay the outstanding EUR 195,000,000 bonds issued by the Issuer on 6 December 2011, which are maturing on 6 December 2019 (the “**2011 Bonds**”). The remaining amount due under the 2011 Bonds (for an amount of EUR 84,500,000) will be repaid with available cash of the Group. The estimated net proceeds from the issue of Bonds will be EUR 199,735,000.

With this offering, the Issuer aims to achieve an optimal global balance between short-term and long-term debt, as well as between bank financing and financing through the capital markets. If the proceeds of the Bond amount to EUR 200,000,000, 59 per cent. of the aggregate indebtedness of the Group will be raised from the capital markets and 41 per cent. will be bank financed.

The Joint Lead Managers have agreed with the Issuer in a subscription agreement, subject to certain terms and conditions, to use best efforts to place the Bonds in an aggregate maximum amount of EUR 200,000,000 with third parties.

The Joint Lead Managers as well as their affiliates have engaged in, or may engage in the future in, a general business relationship and/or specific business transactions with, and may offer certain services to, the Issuer and other companies of the Group in their capacity as dealer or in another capacity. As at the date of this Prospectus, the Joint Lead Managers provide, among other things, payment services, investments of liquidities, credit facilities, bank guarantees and assistance in relation to bonds and structured products to the Issuer for which certain fees and commissions are being paid. As at the date of this Prospectus, the aggregate existing financial indebtedness of the Group outstanding towards the Joint Lead Managers amounts to approximately EUR 325,000,000, which includes Bridge Loan, under which an amount of EUR 89,500,000 is currently outstanding and which shall be repaid with the proceeds of the Bonds.

## **PART 2 RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.*

*The risk factors are presented in categories, depending on their nature. In each category, the risk factor which in the assessment of the Issuer is the most material, taking into account the negative impact on the Issuer and the probability of its occurrence, is mentioned first. The remaining risk factors within each category are not ranked in order to their materiality.*

*Prospective investors should note that the risks relating to the Issuer and the Bonds summarised in the Prospectus Summary are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Bonds. However, as the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the Prospectus Summary but also, among other things, the risks and uncertainties described below.*

*In purchasing Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. Although the Issuer believes that the risks and uncertainties described below represent all material risks and uncertainties considered relevant on the date of publication of this Prospectus for the Issuer's business, it is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its businesses and ability to make payments due.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and should reach their own views prior to making any investment decision with respect to any Bonds. Furthermore, before making an investment decision with respect to any Bonds, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Bonds and consider such an investment decision in light of the prospective investor's own circumstances.*

*Terms defined in the Conditions shall have the same meaning where used below.*

### **1. FACTORS SPECIFIC TO THE ISSUER**

#### **1.1 Risks related to the Issuer's business activities and industry**

- (a) ***The Issuer's business, results of operations and financial condition could be materially affected by global economic and political conditions***

Like many global companies, the Issuer is exposed to risks arising from global economic trends as well as from local political and social evolutions.

#### *Economic risks*

Strategically, the Issuer defends itself against economical and cyclical risks by being active in different regions and different sectors. The Issuer operates manufacturing sites and offices in 44 countries and its markets can be clustered in seven sectors. This sectorial spread is an advantage as it makes the Issuer less sensitive to sector-specific trends. Nevertheless, a global economic crisis can impact the most important

sectors in which the Issuer is active, i.e., automotive, energy and utilities, and construction. For example, in the energy and utilities sector, the market of photovoltaics is a highly volatile market and demand interrelates with changes in subsidy programs as well as technology shifts, whereas oil and gas markets very much depend on the evolution of the oil price as well as on the investment activity in oil extraction.

In tire and automotive and construction markets, a global recession can lead to a significant demand decline driven by weak consumer confidence and postponed investments. The resulting upstream and downstream overcapacity can lead to price erosion across the supply chain. In solar markets, technology shifts occur frequently and fast. Substitution of the product range of the Issuer by a new technology has materialized as a risk in 2017. This has created a significant profitability impact on Bekaert's financial results: the 2018 consolidated underlying EBIT was EUR 90 million lower than the 2017 consolidated underlying EBIT and the substitution of Bekaert's 2nd generation sawing wire by diamond wire accounted for EUR 30 million or one third of the year- total underlying EBIT decline, year-on-year.

In oil and gas markets, the oil price level and trend has an influence on demand for the Issuer's products related to those markets. Most important for the Issuer's flat and shaped wire activity and for Bridon-Bekaert Ropes Group's offshore steel ropes activity are the actual investments in offshore oil extraction. Such investments have been postponed or put on hold as a result of the steep oil price drop in 2015. The oil price has increased steadily in the period 2016 to mid-2018 but not yet to the level that new offshore investments were activated. The onshore oil and gas markets are also dependent on oil prices and the Issuer has seen a modest demand pick-up for onshore steel ropes in the past year, particularly in North America. Although, the Issuer and the Bridon-Bekaert Ropes Group are in process of making their activities less oil-dependent and better aligned with the market reality (restructuring in flat and shaped activity at Bekaert Bradford, UK and restructuring in the ropes footprint of Bridon-Bekaert Ropes Group in Brazil) and although, the Issuer will be ready to seize opportunities from a reactivation of investments in oil extraction in the future, it cannot be excluded that the current oil price level will continue to have an influence on the demand for the Issuer's products and hence on its results.

#### *Political risks*

The Issuer is in particular concerned about (i) the continuous changes in trade policy as induced by the trade war between the US and China, and (ii) the uncertainty related to Britain's choice to leave the EU.

While the Issuer has now to a large extent been able to adapt to the every changing trade policies and duties through adjusted pricing measures (passing on higher, duty-affected, raw materials prices), alternative supply sources and effective lobbying to obtain exemptions, the change in trade policy affected the results of Bekaert's North American segment. The EBIT margin on sales for that segment dropped from 6 per cent. in 2017 to 4 per cent. in 2018. This was, more specially, a result of (i) efficiency losses in the supply chain; (ii) competition with integrated players in the US; and (iii) the indirect effects of trade tensions, which harm the growth perspectives of various economies and of the world economy as a whole. Also in other parts of the world safeguard investigations are ongoing and may lead to changes in trade policy such as trade barriers. Any such further changes could again affect the Issuer's business, results of operations and financial condition.

The impact of the trade tensions on the global economy has been visible already in the slowing demand from agriculture and the slowing industrial demand for steel wire products and may further arise from reduced industrial investment appetite due to uncertainty, cost inflation, declining consumer confidence, overcapacity from reduced export opportunities in certain economies (China) and the side-risk thereof, increased price competition due to overcapacity.

While the total scope of the relevant trade flows from the EU to the UK and from the UK to the EU represents less than 4 per cent. of the consolidated sales of the Group on an annualized basis, the impact of a no-deal Brexit on the global economy, particularly in the EU, may be significant.

Although the potential negative impact of global economic or political conditions cannot be reasonably assessed, the consequences thereof could have a material effect on the Issuer's business, results of operations and financial condition.

Please refer to Section 7.2 (*Trends*) of Part 7 (*Description of the Issuer*) of this Prospectus for more information.

(b) ***Turning around the profitability of weaker performing businesses and other restructuring actions take time and weigh on the profitability of the Issuer***

The Issuer's profitability has declined in 2018 as compared with previous reporting periods. Underlying EBIT dropped by 30% in 2018 compared to 2017. Although this improved in the first half-year of 2019, it has not yet reached the level of 2017. See Section 11.1 in Part 7 (*Description of the Issuer*) of this Prospectus and page 84 of the 2018 Annual Report and page 3 and 12 of the "2019 first half-year results" press release, which are incorporated by reference.

The business conditions in various sectors are trending lower as a result of continued uncertainty and the Issuer does not foresee a rebound in its agriculture, automotive OEM (*Original equipment manufacturer*), and industrial markets in the near future. The difficulties that the Issuer faced in the first half-year of 2019 were due to various factors, including the impacts from trade tensions and policy changes, an overall demand decline in industrial and agriculture markets, the adverse inventory valuation effect from raw material price decreases and the impact from social actions in Belgium following the announcement of the restructuring plans.

Since 2018, the Issuer has been taken actions to turning around the weaker performing businesses, which include the completed closures of the plants in Figline (Italy) and Costa Rica, the completed sale of the weaker performing 'Solaronics' drying activities, the contemplated closure of the Dramix® plant in Moen, Belgium, and the BBRG turn around.

These restructuring actions take time and weigh on the profitability of the Issuer. The total impact from (a) impairments and (b) losses generated by the strike and go-slow actions in the Belgian plants following the restructuring announcement was reported as 'one-off elements' and amounted to EUR 7,000,000 in the first half-year of 2019. The negotiations in Belgium ended on 1 October 2019 with the signing of a collective labor agreement 'social plan'. Based on the current impact (affecting 200 employees) a provision of EUR 30,000,000 has been booked for the costs related to the social plan. This will be added to the one-off elements related to the restructuring that have been accounted for in the first half of the year. The benefits of the restructuring (intended savings) will be lower than anticipated in 2019 due to the length of the negotiation process (six months).

The Issuer cannot guarantee that the above restructuring actions will be successful or, as applicable, completed within the contemplated timeframe. As long as not all actions are successfully implemented, such measures may continue to weigh on the profitability of the Issuer.

Please refer to Section 7.2 (*Trends*) of Part 7 (*Description of the Issuer*) of this Prospectus for more information.

(c) ***Wire rod price volatility may result in further margin erosion***

Wire rod is the Issuer's main raw material, which is purchased from steel mills from all over the world. Wire rod represents about 45 per cent. of the cost of sales of the Issuer. Wire rod prices have increased drastically in the period from 2016 to 2018, have declined at the very beginning of 2019, but surged again after the Vale mine disaster in Brazil end of January 2019. Prices have decreased again in the course of the second quarter of 2019 and continue to be volatile, but within a much narrower fluctuation band compared with the past years.

In principle, price movements are passed on in the selling prices as soon as possible, through contractually agreed pricing mechanisms or through individual negotiation.

The frequency and magnitude of the wire rod price changes in the recent years have had an impact on the profitability of the Issuer, because of (i) the delay in passing on the continuous price increases to customers and (ii) the difficulty in passing on the price increases in certain very competitive markets like those with integrated players that are active both in steel mill operations and steel wire drawing.

The non-cash impact of lower wire rod prices may affect the profitability of the Issuer through the inventory valuation effects. This was visible in Issuer's first half 2019 results with an aggregate negative impact of EUR 12,000,000.

Decreasing raw materials prices are also indicating a downward trending economy, which may be impacting future demand in the businesses targeted by the Issuer.

Please refer to Section 7.2 (*Trends*) of Part 7 (*Description of the Issuer*) of this Prospectus for more information.

(d) ***Source dependency might further impact the Issuer's business activities and profitability***

Trade policy changes in the US have forced the Issuer to turn to alternative sourcing for all of its US wire rod needs that cannot be sourced locally in the US (in particular wire rod as the raw material to produce rubber reinforcement products, as this quality is not available in the US), corresponding to approximately half of the wire rod needs of the Group in the US, which represents about 7% of the Group's total wire rod needs. While this risk has been mitigated in 2019 (as the Issuer can source duty-free from Brazil again and has now received exemptions from all other, relevant sourcing countries), the US has recently increased the import tariff (to 25 per cent.) on finished (tire cord) product imported from China. Further escalation of the US-China trade war may lead to even higher import duties.

On 22 May 2019, British Steel has been placed in compulsory liquidation. British Steel is a supplier to Bekaert, particularly in Europe. In 2018, about 6 per cent. of Bekaert's wire rod needs (consolidated) were supplied by British Steel. On a European scale (including BBRG), about 20 per cent. of Bekaert's wire rod came from British Steel. So far, supplies have not interrupted as the steel maker has continued operations and supplies with government support. Negotiations are ongoing with potential candidates for a takeover. Failure in a successful takeover deal of British Steel could lead to some necessary supply chain changes for the Issuer and more source dependency.

On 1 July 2019, the second year of safeguard measures by the EU on imported steel products started. These safeguard measures include a risk of duties when tax free volume quota are reached. This entails a risk of higher raw material costs for the Issuer, if and when the quota are surpassed. Bekaert imported 3.3 per cent. of its wire rod needs in the EU in 2018. This represents 1 per cent. of the total wire rod purchases of the Group, on a consolidated basis. This share may increase in case of higher market demand, a Brexit (since British Steel is one of Bekaert's suppliers in the EU), and/or of British Steel ceasing operations, if there is no successful takeover of the company.

(e) ***The Issuer faces asset and profit concentration risks***

While the Issuer is a truly global company with a global network of manufacturing platforms and sales and distribution offices, reducing the asset and profit concentration to a minimum, it still faces a risk of asset and profit concentration in certain locations (such as the Zwevegem campus (Belgium) and Jiangyin (China)). In case another risk would materialize, such as a political or social risk, or an environmental risk with major damage, then the risk of asset and profit concentration could materialize in certain locations. One or more natural disasters, such as hurricanes, earthquakes, tsunami or pandemics, and geopolitical events, such as civil commotion in a country where the Issuer is active or its suppliers are based and attacks disturbing

transport systems, could negatively impact the Issuer's activities and financial results, especially when occurring in high concentration locations.

In Belgium, for instance, the announcement of the restructuring plans on 28 March 2019 that includes the closure of the plant in Moen, has caused business interruptions through strikes and go-slow actions across the entire second quarter in the manufacturing entities of the Zvevegem campus. The negotiations lasted for six months and ended on 1 October 2019 with the approval of a social plan. The Issuer experienced delay in profit restoration because of the long negotiation process. The operating losses generated by strikes and go-slow actions in the Belgian activities amounted to approximately EUR 5,000,000 (which amount does not take into consideration impairments) in the first half of 2019. The associated costs regarding the execution of the restructuring will be included in the financial statements of the second half year of 2019 and are estimated to amount to EUR 30,000,000.

For more information please refer to page 7 and 14 of the "2019 first half-year results" press release of the Issuer of 26 July 2019; the press release of the Issuer of 28 March 2019 on the restructuring plans of the Issuer in Belgium, which is incorporated by reference, and Section 13 of Part 7 of this Prospectus.

## **1.2 Legal and regulatory risk**

- (a) ***Failure to adequately protect the Issuer's intellectual property could substantially harm its business and operating results.***

The Issuer is a global technology leader in steel wire transformation and coatings and invests intensively in continued innovation. It considers its technological leadership as a differentiator versus its competitors. Consequently, intellectual property protection is a key concern and risk. Intellectual property leakages can harm the Issuer and help its competitors, both in terms of product development, process innovation and machine engineering.

The Issuer cannot assure that its intellectual property will not be objected to, infringed upon or circumvented by third parties. Furthermore, the Issuer may fail to successfully obtain patent authorisation, complete patent registration or protect such patents, which may materially and adversely affect the Issuer's business, financial position, results of operations and prospects.

- (b) ***The issuer is exposed to regulatory and compliance risks***

As a global company, the Issuer is subject to many laws and regulations across all of the countries where it is active. Such laws and regulations are becoming more complex, more stringent and change faster and more frequently than before. These numerous laws and regulations include, among others, data privacy requirements (in particular the European General Data Protection Regulation), intellectual property laws, labor relation laws, tax laws, anti-competition regulations, import and trade restrictions, environmental laws and sustainability regulations, and anti-bribery regulations.

Compliance efforts with those laws and regulations could lead to additional costs or capital expenditures, which could negatively impact the possibilities of the Issuer to develop its activities. In addition, given the high level of complexity of these laws, there is also the risk that the Issuer may inadvertently breach some provisions. Violations of these laws and regulations could result in fines, criminal sanctions against the Issuer, cessation of business activities in sanctioned countries, implementation of compliance programs and prohibitions on the conduct of the Issuer's business, which could have a significant adverse effect on the Issuer's reputation, business, results of operations and financial condition. To the Issuer's knowledge, it is currently not involved in any ongoing litigations which might have a material impact on its results.

The Issuer could further also become subject to government investigations (including by tax authorities). Such investigations have in the recent years become much more regular in the emerging markets such as China and India and could require significant expenditures and result in liabilities or governmental orders

that could have a material adverse effect on the Issuer's business, operating results and financial condition. It is the Issuer's practise to recognise provisions (per entity) for certain identified regulatory and compliance risks, including government investigations. The Issuer is, to its knowledge, currently not under investigation by any governmental agency, which might have a material impact on its results. There are currently no provisions recognised related to any such governmental investigations that could have a material impact on the results.

### **1.3 Internal control risk**

(a) ***Internal control may not be effective***

An effective internal control on financial reporting is necessary to reach a reasonable level of assurance related to the Issuer's financial reports and in order to prevent fraud. Internal control on financial reporting cannot prevent or trace all errors due to limits peculiar for control, such as possible human errors, misleading or circumventing controls, or fraud. That is why an effective internal control only generates reasonable assurance for the preparation and the fair presentation of the financial information. Failure to pick up an error due to human errors, misleading or circumventing controls, or fraud could negatively impact the Issuer's reputation and financial results. This may also result in the Issuer failing to comply with its ongoing disclosure obligations.

### **1.4 Environmental, social and governance risks**

(a) ***The Issuer currently still has to implement the social plan related to its restructuring in Belgium.***

On 28 March 2019, the Issuer announced restructuring plans in Belgium as part of the actions taken worldwide to rebuild the financial performance of the business. These actions include, amongst others the plans to downsize and close certain activities in Belgium and will affect approximately 200 employees. The negotiations with the trade unions ended on 1 October 2019 with the agreement of a social plan. The associated costs regarding the execution of the restructuring will be included in the financial statements of the second half year of 2019 and are estimated to amount to EUR 30,000,000. The negotiations have led to a reduction of the number of redundancies and the final impact is still subject to the decision of employees who will be invited to consider internal vacancies or an early retirement offer.

The long negotiation process led to a delay in implementation of the restructuring. Consequently, the benefits from the restructuring will be limited in 2019.

For more information please refer to the press release of the Issuer of 28 March 2019 on the restructuring plans of the Issuer in Belgium, which incorporated by reference and Section 13 of Part 7 of this Prospectus.

(b) ***Adverse business performances or changes in underlying economic climate may result in impairment of assets***

In accordance with the International Accounting Standards regarding the impairment of assets (i.e. IAS36), an asset must not be carried in a company's financial statements at more than the highest recoverable amount (i.e. by selling or using the asset). In the event the carrying amount (i.e. book value) exceeds the recoverable amount, the asset is impaired. Consequently, if an impairment review indicates that the carrying value of the asset is not recoverable, a company must recognize an impairment loss/charge amounting to the difference between the carrying amount and the recoverable amount of a specific asset. Such an impairment charge is made to the income statement.

The Issuer regularly examines its groups of assets that do not generate cash flows individually (i.e. Cash Generating Units (CGUs)) and more specifically CGUs to which goodwill is allocated. Nevertheless, the Issuer may also be required to recognise impairment losses on other assets due to (external) unexpected

adverse events that may have an impact on its expected performance. Although impairment charges do not have an impact on the Issuer's cash position, impairment losses are indicators of a potential shortfall in the Issuer's (expected) business plan, which might have an indirect impact on the expected profit generating capability of the Issuer.

IAS36 specifically refers to the situation in which the market capitalisation of a company is lower than the carrying amount of its net assets as such an external indicator of impairment. The consolidated equity of the Group is fluctuating around EUR 1.5 billion, which is slightly above its current market capitalization (approximately EUR1.3 billion). According to the IAS, such an external indicator might suggest that the market considers the business to be overvalued.

For further details on the Issuer's goodwill on the balance sheet (and impairment losses relating thereto), please refer to the note 6.2 (Goodwill) to the audited consolidated financial statements of the Issuer for the year ended 31 December 2018 and pages 119 to 122 of the Issuer's Annual Report of 2018, which are incorporated by reference into this Prospectus. More specifically, this note describes in more detail the impairment testing findings on goodwill arising from the BBRG business combination, which represents the majority of the goodwill amount carried at the balance sheet. A strict execution and implementation of the various initiatives included in the BBRG profit restoration plan, as initiated in 2018, is key to not incurring an impairment loss.

(c) ***The Issuer is subject to stringent environmental laws***

The Issuer is subject to laws, regulations and decrees applicable on the activities and transactions that could imply negative environmental effects. Those laws, regulations and decrees (which became more stringent all over the world) could force the Issuer to pay for cleaning up and for damages at sites where the soil is contaminated. Under the environmental laws, the Issuer can be liable for repairing the environmental damage and be subject to related costs in its production sites, warehouses and offices as well as the soil on which they are located, irrespective of the fact that the Issuer owns, rents or sublets those production sites, warehouses and offices and irrespective of whether the environmental damage was caused by the Issuer or by a previous owner or tenant.

The nature of Bekaert's activities is industrial and includes production processes that use energy and that discharge water effluent and exhaust. The processes use auxiliary materials like chemicals, lubricants and metals (also in liquid form). A fire, explosion, or leakage could cause damage to the soil, the environment, and the health of employees and local residents.

Costs for research, repair or removal of environmental damage can be substantial and adversely affect the Group's business, financial condition and results of operations. The Issuer is, to its knowledge, currently not under an investigation by any environmental agency or exposed to any environmental liability, which might have a material impact on its results.

## **1.5 Risks related to the issuer's financial situation**

(a) ***The Issuer's debt ratio is substantially increased over the last three to four years and it is exposed to a (re)financing risk***

The working capital growth (following the sales increase) and growth strategies (including the BRRG merger and high capital expenditure) in the recent years have led to a high debt leverage for the Group. As of 30 June 2019, the net debt amounted to EUR 1,253,000,000 (compared to EUR 837,000,000 at 31 December 2015), the net debt to underlying EBITDA amounted to 2.6 (compared to 1.9 at 31 December 2015 and long term-guidance below 2) and the Issuer's gearing ratio was 81 per cent. (compared to 55 per cent. at 31 December 2015 and long term-guidance below 50 per cent.).

On 30 June 2019, the Issuer had an amount of EUR 1,209,000,000 of long term debt outstanding (of which EUR 195,000,000 is maturing on 6 December 2019) and EUR 15,000,000 of short term bank debt. Its Subsidiaries have about EUR 431,000,000 of bank debt (excluding IFRS-16 leasing) outstanding, mainly short term. All these financings are free of any financial covenants and are, with a few minor exceptions, unsecured. Bank debt borrowed by foreign Subsidiaries is sometimes secured by corporate guarantees granted by the Issuer. As of 31 August 2019, corporate guarantees for a total amount of approximately EUR 180,331,656 have been granted by the Issuer to secure bank debt of foreign Subsidiaries.

For a detailed overview of the evolution of the Issuer's debt ratios and current financing arrangements, please see section 10 (*Capital Management*) of Part 7 (*Description of the Issuer*) below.

Cash generating actions are being put in place, aiming at significantly reducing the net debt/underlying EBITDA leverage. Those actions include the implementation of business plans to turn around the profitability of weaker performing businesses or to cease certain operations, as well as strict control on capital expenditure and actions to reduce the working capital such as extension of supplier payment terms, reduction of stocks and the faster collection of accounts receivables. The Issuer cannot, however, guarantee that these actions will result in a further reduction of the net debt/underlying EBITDA leverage in the future.

Given its increased debt level, the Group may not be able to refinance its debt or receive additional financing on terms that are commercially desirable. If the Group is unable to receive financing against similar terms (in particular by having to accept restrictive covenants), this could reduce the flexibility the Group has to operate its business, make investments, complete acquisitions or divestments or incur additional indebtedness, which could have a material adverse effect on its financial condition, operating results and prospects.

## **2. FACTORS SPECIFIC TO THE BONDS**

### **2.1 Risks relating to the nature of the Bonds**

- (a) ***In an insolvency scenario, Bonds will be subordinated to any current or future secured indebtedness of the Issuer and to any current or future (secured or unsecured) indebtedness of the Subsidiaries of the Issuer***

The Issuer is a company incorporated under Belgian law and has its statutory seat in Belgium. The Issuer is therefore, in principle, subject to Belgian insolvency laws. The application of these Belgian insolvency laws can have a significant impact on the ability of the Bondholders to obtain a full or partial repayment of the Bonds in an insolvency situation, e.g. through a suspension of payments, a stay on enforcement measures or an order providing for partial repayment of the Bonds only.

The Bonds are structurally subordinated to the secured obligations of the Issuer and the secured and unsecured debt of the Issuer's Subsidiaries. The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed. Upon a winding-up of the Issuer or if insolvency proceedings are brought in relation to the Issuer, the Bonds will be effectively subordinated to all of the Issuer's other secured indebtedness (if any) to the extent of the value of the collateral securing such indebtedness. As at the date of the Prospectus none of the Issuer's indebtedness is secured.

For a detailed overview of the current financing arrangements of the Issuer, please see Section 10 (*Capital Management*) of Part 7: *Description of the Issuer* below.

In case of a liquidation, dissolution, reorganisation or similar procedures affecting the Issuer's Subsidiaries, the creditors of the secured and unsecured debt of the Issuer's Subsidiaries will, upon enforcement, be repaid in priority with the proceeds of the secured and unsecured assets of the Subsidiaries.

If security is provided by the Issuer in respect of any present or future indebtedness in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which

is listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter-market), the same or similar security is to be granted for the benefit of the Bondholders pursuant to Condition 3 (*Negative pledge*), as provided in more detail in the Conditions. The Issuer is, however, not restricted from granting security (on some or all of its assets) for other indebtedness (including bank loans) and it cannot be excluded that the Issuer would enter into secured bank loans in the future, which will then benefit first from the proceeds from the enforcement of such security in the event of liquidation, dissolution, reorganisation, bankruptcy or any other similar procedure affecting the Issuer. Potential investors should be aware that Condition 3 (*Negative pledge*) does not cover security granted by the Issuer's Subsidiaries. Therefore the Issuer's Subsidiaries are by this provision not restricted from granting any security.

(b) ***The Issuer may not have the ability to repay the Bonds***

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in case of an Event of Default as set out in the Conditions. If the Bondholders were to ask the Issuer to repay their Bonds following an Event of Default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries) at the time of the requested repayment and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness. The Issuer's failure to repay the Bonds may result in an event of default (however described) under the terms of other outstanding indebtedness.

(c) ***The Issuer and its Subsidiaries may incur substantially more debt in the future which may prejudice the ability of the Issuer to repay the Bonds***

The Issuer, as well its Subsidiaries, may incur substantial additional indebtedness in the future, some of which may be structurally senior in right of payment to the Bonds, including in connection with future acquisitions, some of which may be secured by some or all of the Issuer's assets. Right of payment under the Bonds might be subordinated to future additional indebtedness of the Issuer which might be secured, whereas the Bonds are unsecured. In case of a liquidation, dissolution, reorganisation or similar procedures affecting the Issuer, the creditors of the secured debt of the Issuer will, upon enforcement, be repaid in priority with the proceeds of the assets of the Issuer. In this situation the Bondholders' ability to obtain full or partial repayment may be prejudiced. If the Issuer would incur substantial additional indebtedness and such indebtedness would not lead to increased cash flows for the Issuer, the additional indebtedness may affect the creditworthiness of the Issuer.

(d) ***The market value of the Bonds may be affected by the creditworthiness of the Issuer***

The market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest and yield rates, the time remaining to the Maturity Date and, more generally, all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The Issuer has from time to time engaged in share buy-backs and may continue to do so in the future, which may affect the creditworthiness of the Issuer. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Bondholder.

(e) ***Absence of credit rating may render the price setting for the Bonds more difficult***

The Issuer and the Bonds do not have a credit rating, and the Issuer currently does not intend to request a credit rating for itself or for the Bonds at a later stage. This may impact the trading price of the Bonds. There is no guarantee that the price of the Bonds will cover the credit risk related to the Bonds and the Issuer.

There is no guarantee that the price of the Bonds and the other Conditions at the time of the Public Offer, or at a later date, will cover the credit risk related to the Bonds and the Issuer.

## **2.2 Risks relating to the Conditions**

### **(a) *The Bonds may be redeemed prior to maturity***

If an Event of Default or a Change of Control occurs, the holder of any Bond may give written notice to the Issuer that such Bond is immediately due and repayable in accordance with the Conditions. In the event of an early repayment of the Bonds, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds.

### **(b) *The Change of Control Put can only be exercised in specific circumstances***

Each Bondholder, at its own initiative, will have the right to require the Issuer to redeem all or any part of such holder's Bonds at the Put Repayment Amount, upon the occurrence of a Change of Control of the Issuer.

Potential investors should be aware that, in the event that holders of a significant proportion of the Bonds exercise their put option, Bonds in respect of which the put option is not exercised may be illiquid and difficult to trade.

Furthermore, potential investors should be aware that the put option can only be exercised in specified circumstances of a "Change of Control" as defined in the Conditions. This may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer.

Potential investors should also be aware that the Change of Control Put can only be exercised provided that prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed offer to the shareholders of the Issuer pursuant to Article 7 of the Belgian Royal Decree of 27 April 2007 on takeover bids or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Business Court of Ghent, division Kortrijk (*griffie van de ondernemingsrechtbank*). The Issuer has undertaken, pursuant to Condition 5.2(a), to use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the general meeting of shareholders of the Issuer to be held in the second quarter of 2020 and to file a copy of the resolution as aforesaid immediately thereafter. If a Change of Control occurs prior to such approval and filing or if the shareholders do not approve the Change of Control Put, Bondholders will not be entitled to exercise the option set out in Condition 5.2(a). There can be no assurance that such approval will be granted at such meeting. If by not later than 31 July 2020 (i) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or (ii) the Change of Control Resolutions have not been duly filed with the Clerk of the Business Court of Ghent, division Kortrijk (*griffie van de ondernemingsrechtbank*), then, with effect from the Interest Period starting on the first Interest Payment Date following 31 July 2020, the rate of interest payable on the Bonds shall be increased by 0.50 per cent. per annum until the last day of the Interest Period during which the Change of Control Resolutions are adopted at a general shareholders' meeting of the Issuer and have been duly filed with the Clerk of the Business Court of Ghent, division Kortrijk.

### **(c) *The Conditions contain provisions which may permit their modification without the consent of all investors***

Condition 10 (*Meetings of Bondholders and Modification*) and Schedule 1 (*Provisions on meetings of Bondholders*) to the Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Investors might therefore be bound by certain amendments to the Bonds to

which they did not consent. Such decisions may include decisions relating to the interest payable on the Bonds (if any) and/or the amount paid by the Issuer upon redemption of the Bonds.

- (d) ***The long tenor of the Bonds might increase the materiality of the identified risk factors related to the Issuer and the Bonds***

Investors should be aware that, unless previously purchased and cancelled or repaid as provided in this Prospectus (see Condition 5 (*Repayment, Purchase and Cancellation*)), the Bonds will be repaid by the Issuer on 25 October 2026, 7 years after their Issue Date.

Such long tenor might increase the materiality (both in terms of probability and impact) of the other risk factors mentioned in this Part 2 of the Prospectus.

### **2.3 Risks relating to the subscription of the Bonds and their settlement**

- (a) ***Impact of fees, commissions and/or inducements on the issue price and/or the offer price***

Potential investors should note that the issue price and/or the offer price of the Bonds will include certain additional fees and costs.

In particular:

- (a) investors who are not Qualified Investors (as defined below) (the “**Retail Investors**”) will pay a selling and distribution commission of 1.875% (the “**Retail Commission**”);
- (b) investors who are qualified investors as defined in the Prospectus Regulation (the “**Qualified Investors**”) will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount up to 1.875% based among others on (i) the evolution of the credit quality of the Issuer (credit spread), (ii) the evolution of interest rates, (iii) the success (or lack of success) of the placement of the Bonds, (iv) the market environment and (v) the principal amount of Bonds purchased by an investor, each as determined by each Joint Lead Manager in its sole discretion (the “**QI Commission**”).

Furthermore, the Joint Lead Managers and the Agent receive customary commissions in relation to the Public Offer (i.e. the Global Coordinator will receive a customary fee for its coordination services in the set-up of the Public Offer and the Agent will receive a customary fee for providing the services under the Agency Agreement).

Any such commissions may not be taken into account for the purposes of determining the price of the Bonds on the secondary market and could result in a difference between the original issue price and/or offer price, the theoretical value of such Bonds and/or the actual bid/offer price quoted by any intermediary in the secondary market.

Any such difference may have an adverse effect on the value of Bonds, particularly immediately following the Public Offer and the issue date of the Bonds, where any such fees and/or costs may be deducted from the price at which such Bonds can be sold by the initial investor in the secondary market. An initial investor selling the Bonds in the secondary market may hence receive an amount that is less than the amount it paid when subscribing for the Bonds.

- (b) ***Risk of retraction or cancellation of the Public Offer***

As from the date of the Prospectus and at any time prior to the Issue Date of the Bonds, the Public Offer of the Bonds may be wholly or partially retracted or cancelled in accordance with the provisions of the subscription agreement entered into between the Issuer and the Joint Lead Managers in connection with the

Public Offer. In this case, investors who paid the Issue Price for the Bonds prior to the notification of the retraction or cancellation of the Public Offer shall receive the total amount of funds already paid by them as Issue Price for the Bonds. However, the investors will not receive the interest on such amount they otherwise could have earned if they had not paid the Issue Price for the Bonds.

(c) ***The Issuer, the Joint Lead Managers and the Agent may engage in transactions adversely affecting the interests of the Bondholders***

The Joint Lead Managers, and the Agent might have conflicts of interest that could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is involved in a general business relation and/or in specific transactions with the Joint Lead Managers and the Agent and that they might have conflicts of interest that could have an adverse effect on the interests of the Bondholders.

As at the date of this Prospectus, the Joint Lead Managers provide, among other things, payment services, investments of liquidities, credit facilities, bank guarantees and assistance in relation to bonds and structured products to the Issuer and its Subsidiaries for which certain fees and commissions are being paid. These fees represent recurring costs which are being paid to the Joint Lead Managers as well as to other banks which offer similar services.

As at the date of this Prospectus, the existing financial indebtedness of the Group outstanding towards the Joint Lead Managers amounts to approximately EUR 325,000,000.

Potential investors should also be aware that the Joint Lead Managers and the Agent may from time to time hold debt securities, shares and/or other financial instruments of the Issuer.

(d) ***The transfer of any Bonds, any payments made in respect of any Bonds and all communications with the Issuer will occur through the NBB-Securities Settlement System***

A Bondholder must rely on the procedures of the NBB-Clearing System and the NBB-Clearing System participants to receive payment under the Bonds and communications from the Issuer. Neither the Issuer, the Dealers nor the Agent will have any responsibility for the proper performance by the NBB-Clearing System or the NBB-Clearing System participants of their obligations under their respective rules and operating procedures. The payment of any amounts due by the Issuer in respect of the Bonds through the Agent to the NBB discharges the payment obligations of the Issuer.

All notices and payments to be delivered to the Bondholders will be distributed by the Issuer to such Bondholders in accordance with the Conditions and all notices to the Bondholders will be published on the website of the Issuer. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced, but it may not have a direct claim against the Issuer with respect to such prejudice.

(e) ***The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the NBB-Clearing System***

The Conditions and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders and that the payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB-Clearing System in respect of each amount so paid. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds, and in the event that the Agent were subject to insolvency or bankruptcy proceedings at any time when it held any such amounts, the Issuer would be required to claim such amounts from such Agent in accordance with applicable insolvency laws and may not be able to recover all or part of such amounts. This may impact the Issuer's ability to meet its obligations under the Bonds.

## **2.4 Risks relating to the listing of the Bonds and the market in the Bonds**

### **(a) *There is currently no active trading market for the Bonds and secondary market risks***

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Issuer's results of operations. Although application has been made for the Bonds to be listed and admitted to trading on the regulated market of Euronext Brussels, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds. Furthermore, it cannot be guaranteed that the listing, once approved, will be maintained. The market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global events may lead to market volatility which may have an adverse effect on the price of the Bonds.

### **(b) *The value of the Bonds could be adversely affected by a change in Belgian law or administrative practice***

The Conditions are based on Belgian law and interpretations thereof and practices in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such law, the official application, interpretation or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Bonds affected by it. Any such decision or change may affect the enforceability of the Bondholders' rights under the Conditions or render the exercise of such rights more difficult, including to claim compensation.

### **(c) *Fixed Rate Bonds and interest rate risks***

Interest on the Bonds will be payable at a fixed rate of interest until the Maturity Date. The holder of a fixed interest rate bond is exposed to the risk that the price of such bond falls as a result of changes in market interest rates. While the nominal interest rate of a fixed interest rate bond is fixed, the current interest rate on the market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such bond tends to evolve in the opposite direction. All other things being equal, if the market interest rate increases, the price of such bond typically falls, until the yield of such bond is approximately equal to the market interest rate. Bondholders should be aware that movements of the market interest rate can adversely affect the price of the Bonds and can lead to losses for the Bondholders if they sell the Bonds before their maturity.

## **2.5 Risks in connection with the status of the investor**

### **(a) *Taxation risks***

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In addition, payments of interest on the Bonds (if any), or profits realised by a Bondholder upon the sale or repayment of its Bonds, may be subject to taxation in the home jurisdiction of the potential investor or in other jurisdictions in which it is required to pay taxes.

Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential

investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

(a) ***No tax gross-up protection***

Potential investors should be aware that the Conditions do not require the Issuer to gross up the net payments received by a Bondholder in relation to the Bonds with the amounts withheld or deducted for Belgian tax purposes. In case the Belgian tax rules would be amended such that Bondholders holding their Bonds in an exempt securities account in the NBB-Clearing System are no longer exempt from Belgian withholding tax, such Bondholders will bear the risk that Belgian withholding tax will be applied to and withheld from the payments to be received in relation to the Bonds.

The Bondholders (and no other person) will be liable for, and be obliged to pay, any tax, duty, charge, withholding or other payment whatsoever as may arise as a result of, or in connection with, the ownership, transfer or payment in respect of the Bonds.

(b) ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

(c) ***Risks relating to financing of purchase of the Bonds***

If an investor obtains financing to purchase the Bonds and an Event of Default occurs with respect to the Bonds or the price of the Bonds decreases significantly, then the Bondholder-investor will possibly not only be confronted with a loss on its investment, but it will also be required to repay the loan obtained by it as well as the interest in respect of such a loan. Such a credit facility can therefore lead to a significant increase in the loss on the investment for the investor. Potential investors in the Bonds should therefore not assume that they will be in a position to repay a loan (principal as well as interests on the loan) solely based on a transaction involving the Bonds. On the contrary, potential investors must make a careful assessment of their financial situation and in particular assess whether they would be capable to pay interest and to repay the loans and they must also take into account that they will possibly incur a loss instead of a gain in respect of their investment in the Bonds.

### PART 3 IMPORTANT INFORMATION

NV Bekaert SA, a public limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Belgian law, having its statutory seat at Bekaertstraat 2, 8550 Zwevegem, Belgium, registered with the Crossroads Bank for Enterprises under number 0405.388.536, business court of Ghent, division Kortrijk, and with LEI 5493008SR6XZECH6BN71 (the “**Issuer**”, the “**Company**” or “**Bekaert**”) intends to issue the Bonds for an amount up to EUR 200,000,000. The Bonds will be offered to the public in Belgium (the “**Public Offer**”). The Bonds will bear interest at the fixed rate of 2.75% per annum, subject to Condition 4 (*Interest*). Interest on the Bonds is payable annually in arrears on the Interest Payment Dates (as defined in the Conditions) falling on, or nearest to, 25 October in each year. The first interest payment on the Bonds will occur on 25 October 2020 and the last payment on 25 October 2026. The Bonds will mature on 25 October 2026 (the “**Maturity Date**”). The International Securities Identification Number (**ISIN**) of the Bonds is: BE0002673540.

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set forth in this Prospectus. Where reference is made to the “Conditions of the Bonds” or to the “Conditions”, reference is made to the terms and conditions of the Bonds (see Part 5: *Terms and Conditions of the Bonds*). In this Prospectus, when reference is made to the condition (financial or otherwise), the business or the prospects of the Issuer, reference is made to the condition, the business or the prospects of the Issuer on a consolidated basis, unless expressly indicated otherwise.

BNP Paribas Fortis SA/NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Belgian law, having its statutory seat at Montagne du Parc 3, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0403.199.702 (“**BNP Paribas Fortis**”), ING Bank N.V., a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Dutch law, acting through its Belgian Branch, having its statutory seat in Belgium at Avenue Marnixlaan 24, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0828.223.909 (“**ING**”) and KBC Bank NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Belgian law, having its statutory seat at Havenlaan 2, 1080 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0462.920.226 (“**KBC**”) are acting as joint lead managers and joint bookrunners (the “**Joint Lead Managers**”) and BNP Paribas Fortis is acting as the global coordinator (the “**Global Coordinator**”) in connection with the Public Offer.

The Bonds will constitute unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3 (*Negative pledge*), at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.

The Bonds will be issued in dematerialised form under the Belgian companies code (*Wetboek van Vennootschappen/Code des Sociétés* dated 7 May 1999 (the “**1999 Belgian Companies Code**”), as amended or replaced from time to time, including with effect from its applicable effective date, by the Belgian *Wetboek van vennootschappen en verenigingen/Code des sociétés et des associations* dated 23 March 2019, as amended from time to time (the “**2019 Belgian Companies and Associations Code**”)) (the “**Belgian Companies Code**”) and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the securities settlement system operated by the National Bank of Belgium (the “**NBB**”) or any successor thereto (the “**NBB-Clearing System**”). Access to the NBB-Clearing System is available through those of its NBB-Clearing System participants whose membership extends to securities such as the Bonds. NBB-Clearing System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking AG, Frankfurt (“**Clearstream Frankfurt**”), SIX SIS Ltd., Switzerland (“**SIX SIS**”), Monte Titoli S.p.A., Italy (“**Monte Titoli**”), Interbolsa S.A. (“**Interbolsa**”) and Euroclear France SA (“**Euroclear France**”). Accordingly, the Bonds will be eligible to clear through, and therefore be accepted by, Euroclear,

Clearstream Frankfurt, SIX SIS, Monte Titoli, Interbolsa and Euroclear France and investors can hold their Bonds within securities accounts in Euroclear, Clearstream Frankfurt, SIX SIS, Monte Titoli, Interbolsa and Euroclear France. For a list of all the participants, refer to: [www.nbbsss.be](http://www.nbbsss.be).

The denomination of the Bonds shall be EUR 1,000.

This listing and offering prospectus dated 8 October 2019 and drafted in English (the “**Prospectus**”) was approved on 8 October 2019 by the Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*) (the “**FSMA**”) in its capacity as competent authority under the Belgian Law of 11 July 2018 on public offerings of placement instruments and the admission of investment instruments to trading on a regulated market (the “**Belgian Prospectus Law**”) and Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the “**Prospectus Regulation**”). The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FSMA should not be considered as an endorsement of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

Application has been or will be made to Euronext Brussels for the Bonds to be listed and admitted to trading on the regulated market of Euronext Brussels. References in this Prospectus to the Bonds as being “**listed**” (and all related references) shall mean that the Bonds have been listed on Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels. The regulated market of Euronext Brussels is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (“**MiFID II**”). Prior to the Public Offer, there has been no public market for the Bonds.

The Prospectus is a prospectus for the purposes of Article 6 of the Prospectus Regulation and the Belgian Prospectus Law. This Prospectus has been prepared in accordance with the Prospectus Regulation and Commission Regulation (EU) 2019/980 of 14 March 2019 implementing the Prospectus Regulation (the “**Delegated Regulation**”) and has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation and Annexes 8 and 14 of the Delegated Regulation.

The Prospectus intends to give the information with regard to the Issuer and the Bonds, which, according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the rights attaching to the Bonds and of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FSMA.

An investment in the Bonds implies risks. Potential investors should carefully review Part 2: Risk Factors of this Prospectus in order to understand which risk factors are capable of affecting the Issuer’s ability to fulfil its obligations of the Bonds. Certain risk factors are of material importance for an assessment of the market risks associated with an investment in the Bonds. Potential investors are invited to form their own opinion with respect to the Issuer as well as with respect to the conditions of the Public Offer, taking into account, amongst other things, the advantages and the risks associated with such an investment. The investors bear sole responsibility for the assessment of the advantages and the risks associated with a subscription to the Bonds. An investment decision should be based on a comprehensive review by the investor of the entire Prospectus. Each investor contemplating purchasing the Bonds should make its own independent assessment of the condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The Joint Lead Managers as well as their affiliates have engaged in, or may engage in the future in, a general business relationship and/or specific business transactions with, and may offer certain services to, the Issuer and other companies of the Group (as defined below) in their capacity as dealer or in another capacity. As at the date of this Prospectus, the Joint Lead Managers provide, among other things, payment services, investments of liquidities, credit facilities, bank guarantees and assistance in relation to bonds and structured products to the Issuer for which certain fees and commissions are being paid. As at the date of this Prospectus, the aggregate existing financial indebtedness of the Group outstanding towards the Joint Lead Managers amounts to approximately EUR 325,000,000, which includes the covenant free bridge loan entered by the Issuer with the Joint Lead Managers, under which an amount of EUR 89,500,000 is currently outstanding and which shall be repaid with the proceeds of the Bonds (See Part 8: Use of Proceeds). These fees represent recurring costs which are being paid to the Joint Lead Managers as well as to other banks which offer similar services. Potential investors should also be aware that the Joint Lead Managers may from time to time hold debt securities, shares and/or other financial instruments of the Issuer. Furthermore, the Joint Lead Managers and the Agent (as defined in the Conditions) receive customary commissions in relation to the Public Offer. Please also refer to risk factor 2.3(a) *“Impact of fees, commissions and/or inducements on the issue price and/or the offer price”* and risk factor 2.3(c) *“The Issuer, the Joint Lead Managers and the Agent may engage in transactions adversely affecting the interests of the Bondholders”* in Part 2: Risk factors of this Prospectus.

Neither the Issuer nor the Bonds will be rated by a rating agency.

All references in this Prospectus to “euro”, “EUR” or “€” refer to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty on European Union, as amended.

This Prospectus contains various amounts and percentages which are rounded and, as a result, when these amounts and percentages are added up, the totals may not be an arithmetic aggregation of these amounts and percentages.

## **RESPONSIBLE PERSON**

The Issuer accepts the responsibility for the information contained in this Prospectus, and, as the case may be, any supplement to the Prospectus.

The Prospectus has been prepared in English and has been translated in Dutch. The summary of the Prospectus included in Part 1: *Summary of the Prospectus* has been translated in Dutch and French. The Issuer is responsible for the consistency of the English and Dutch versions of the Prospectus and of the English, French and Dutch versions of the summary of the Prospectus. Without prejudice to the responsibility of the Issuer in case of inconsistency between the different language versions of the Prospectus and/or of the summary of the Prospectus, in case of a discrepancy between the English or Dutch version of the Prospectus or between the English, Dutch or French version of the summary, the English version shall prevail.

To the best of the knowledge and belief of the Issuer, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omissions likely to affect its import.

No person is or has been authorised to give any information or to make any representation not contained in, or not consistent with, this Prospectus and any information or representation not so contained or inconsistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication:

- (a) that the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs of the Issuer, its subsidiaries or the

Issuer and its subsidiaries taken as a whole (the “**Group**”) since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented; or

- (b) that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer, its subsidiaries or the Group since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented; or
- (c) that the information contained in it or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same,

in each case, without prejudice to the obligation the Issuer may have to publish a supplement to the Prospectus in accordance with the Prospectus Regulation (in this respect, please refer to the section “*Prospectus Supplements*” below).

To the fullest extent permitted by applicable law, the Joint Lead Managers disclaim all responsibility for the contents of this Prospectus (including any information incorporated by reference therein and any supplement thereto) or for any other statement made or purported to be made by the Joint Lead Managers or on their behalf in connection with the Issuer, its subsidiaries and the Group or the issue and offering of the Bonds. Accordingly, no representation, warranty, undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Issuer, its subsidiaries and the Group or the offering of the Bonds.

The Joint Lead Managers and the Issuer expressly do not undertake to review the condition (financial and otherwise) or affairs of the Issuer, the subsidiaries and the Group during the life of the Bonds and do not undertake to provide an update of the information contained in the Prospectus or to provide the investors in the Bonds with information they may have, without prejudice to the Issuer’s obligation to publish a supplement in accordance with Article 23 of the Prospectus Regulation (in this respect, please refer to the section “*Prospectus supplements*” below).

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the condition (financial and otherwise) and affairs, and its own appraisal of the creditworthiness, of the Issuer.

## PUBLIC OFFER IN BELGIUM

This Prospectus has been prepared in connection with the Public Offer and with the listing and admission to trading of the Bonds on the regulated market of Euronext Brussels.

This Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area (each, a “**Relevant Member State**”), other than offers in Belgium (the “**Permitted Public Offer**”), will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offer, may only do so in circumstances in which no obligation arises for the Issuer or the Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer (other than the Permitted Public Offer) of Bonds in circumstances in which an obligation arises for the Issuer or the Joint Lead Managers to publish or supplement a prospectus for such offer.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction (other than Belgium) where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about and observe any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see Part 4: *Documents Incorporated by Reference*) and each supplement. This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, the Prospectus.

The Issuer authorises that this Prospectus may be used for the purposes of a public offer until the last day of the subscription period, which runs from 11 October 2019 at 9 am (CET) until, subject to early closure as specified in Part 10: *Subscription and Sale* below, 18 October 2019 at 5.30 pm (CET) included (the “**Subscription Period**”) in Belgium, by any financial intermediary authorised pursuant to MiFID II to conduct such offers (an “**Authorised Offeror**”).

**Any Authorised Offeror envisaging to use this Prospectus in connection with a Permitted Public Offer is obliged to state on its website, during the Subscription Period, that this Prospectus is used for a Permitted Public Offer with the authorisation of the Issuer and in accordance with the relevant applicable conditions.**

If, during the period for which the Issuer authorised the use of this Prospectus, a Permitted Public Offer is made by an Authorised Offeror, the Issuer accepts responsibility for the content of this Prospectus as set out below. Neither the Issuer, nor the Joint Lead Managers can be held responsible or liable for any act or omission from any Authorised Offeror, including compliance with any rules of conduct or other legal or regulatory requirements under or in connection with such public offer.

Neither the Issuer nor the Joint Lead Managers has authorised any public offer of the Bonds by any person in any circumstances and such person is under no circumstance authorised to use this Prospectus in connection with a public offer of the Bonds, unless (i) the public offer is made in Belgium by an Authorised Offeror, or (ii) the offer is made in a Relevant Member State within an exemption from the requirement to publish a prospectus under the Prospectus Regulation. Any such unauthorised public offer is not made by or on behalf of the Issuer or the Joint Lead Managers and the Issuer nor the Joint Lead Managers can be held responsible or liable for the actions of any such person engaging in such unauthorised public offers.

**Each offer and each sale of the Bonds by an Authorised Offeror will be made in accordance with the terms and conditions agreed between a financial intermediary and the investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor.**

**The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Authorised Offeror and an investor. This Prospectus does not contain the terms and conditions of any Authorised Offeror. The terms and conditions of the Public Offer of the Bonds by the Joint Lead Managers are however included in this Prospectus (see Part 5: *Terms and Conditions of the Bonds* and Part 10: *Subscription and Sale*). The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror during the Subscription Period. Neither the Issuer nor the Joint Lead Managers can be held responsible or liable for the terms and conditions of any Authorised Offeror or any information provided by such Authorised Offeror in respect thereof. This Prospectus may be used for the purposes of the Public Offer in Belgium by an Authorised Offeror until the last day of the Subscription Period.**

The distribution of the Prospectus and the offer and sale of the Bonds can be subject to restrictions in certain jurisdictions. It is important that any person into whose possession this Prospectus comes informs himself or herself on the applicable restrictions.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). The Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, see Part 10: *Subscription and Sale* below.

## **WARNINGS**

The Prospectus has been prepared to provide information on the Public Offer. When potential investors make a decision to invest in the Bonds, they should base their decision on the information set forth in this Prospectus and on their own research of the Issuer and the Conditions, including, but not limited to, the associated benefits and risks, as well as the conditions of the Public Offer itself. Potential investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, taking into account their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, bookkeeper, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

KBC Bank NV will act as the Issuer's Agent. In its capacity as Agent, it will act in accordance with the Conditions in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Bondholders should be aware that the Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Agent of any amount due in respect of the Bonds or (ii) any determination made by the Agent in relation to the Bonds, in each case in the absence of bad faith or wilful default. Without prejudice to the generality of the foregoing, the Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Agent on a timely basis.

### PROSPECTUS SUPPLEMENTS

Every significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the Bonds and which arises or is noted between the time when the Prospectus is approved and the final closing of the Public Offer or, as the case may be, the time when trading on the regulated market of Euronext Brussels begins, if this is later than the final closing of the Public Offer, shall be mentioned in a supplement to the Prospectus to be prepared by the Issuer in accordance with Article 23 of the Prospectus Regulation.

This supplement will need to be (i) approved by the FSMA and (ii) published in compliance with at least the same regulations as applicable to the Prospectus and applicable law, and will be published on the websites of the Issuer (within the section addressed to investors as "Financial Instruments-Bonds" ([www.bekaert.com/en/investors/information-center/financial-instruments-bonds](http://www.bekaert.com/en/investors/information-center/financial-instruments-bonds)), the Joint Lead Managers ([www.bnpparibasfortis.be/emissions](http://www.bnpparibasfortis.be/emissions) for BNP Paribas Fortis, [www.ing.be](http://www.ing.be), go to "Beleggen – Obligaties" or "Investir – Obligations" for ING and [www.kbc.be/bekaert](http://www.kbc.be/bekaert) for KBC), the FSMA ([www.fsma.be/en/prospectus-ems](http://www.fsma.be/en/prospectus-ems)) and Euronext Brussels ([www.euronext.com](http://www.euronext.com)). The Issuer must ensure that any such supplement is published as soon as possible after the occurrence of such new significant factor.

Investors who have already agreed to purchase or subscribe to the Bonds before the publication of the supplement to the Prospectus have the right to withdraw their agreement during a period of two business days commencing on the day after the publication of the supplement. This period can be extended by the Issuer. The final date for the exercise of the withdrawal right shall be mentioned in the supplement.

### INFORMATION FROM INDEPENDENT SOURCES

Unless expressly stated otherwise, market data and other statistical information with respect to the markets in which the Issuer is active and the general economic situation have been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an "**Independent Source**").

Such information has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by the relevant Independent Source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### FORWARD LOOKING STATEMENTS

This Prospectus includes forward-looking statements. These statements appear in a number of places in the Prospectus, including, but not limited to, Part 1: *Summary of the Prospectus*, Part 2: *Risk Factors* and Part 7:

*Description of the Issuer*, and include statements regarding the Issuer’s intent, belief or current expectations, and those of the Issuer’s officers, with respect to (among other things) its financial condition. Such estimates and forward- looking statements are based mainly on current expectations and estimates of future events and trends which affect, or may affect, the Issuer’s business and results of operations. Although the Issuer believes that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information currently available to the Issuer.

The words “believe”, “plan”, “expect”, “anticipate”, “intend”, “continue”, “seek”, “may”, “can”, “will”, “should” and similar words and expressions are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements refer only to the date when they were made and neither the Issuer nor the Joint Lead Managers undertake any obligation to update or review any estimate or forward- looking statement, whether as a result of new information, future events or any other factors. Estimates and forward-looking statements involve uncertainties and other factors that may cause the actual results, condition, performance or achievements of the Issuer, its subsidiaries or affiliated entities or industry results to be materially different from future results, condition, performance or achievements expressed or implied in such forward looking statements. Given these uncertainties, investors should only rely to a reasonable extent on such estimates and forward-looking statements in making decisions regarding investment in the Bonds.

### **ACCESS TO THE PROSPECTUS**

This Prospectus will be published on the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)) and the website of the FSMA ([www.fsma.be/en/prospectus-ems](http://www.fsma.be/en/prospectus-ems)). The Prospectus, the Dutch translation of the Prospectus and the French and Dutch translations of the summary of the Prospectus will also be available on the website of the Issuer in the section addressed to investors ([www.bekaert.com/en/investors/information-center/financial-instruments-bonds](http://www.bekaert.com/en/investors/information-center/financial-instruments-bonds)), on the website of BNP Paribas Fortis ([www.bnpparibasfortis.be/emissions](http://www.bnpparibasfortis.be/emissions)), on the website of ING ([www.ing.be](http://www.ing.be), go to “Beleggen – Obligaties” or “Investir – Obligations”) and on the website of KBC ([www.kbc.be/bekaert](http://www.kbc.be/bekaert)).

A hard copy of the Prospectus can be obtained, free of charge, at the statutory seat of the Issuer and at the statutory seat of BNP Paribas Fortis (Montagne du Parc 3, 1000 Brussels, Belgium), ING (Avenue Marnixlaan 24, 1000 Brussels, Belgium) and KBC (Havenlaan 2, 1080 Brussels, Belgium).

The documents and other information available on the websites of the Issuer and/or the Joint Lead Managers do not form part of the Prospectus, unless expressly stated otherwise.

### **FURTHER INFORMATION**

For more information about the Issuer, please contact:

NV Bekaert SA  
Bekaertstraat 2  
8550 Zwevegem  
Belgium  
Tel.: +32 56 76 61 11  
E-mail: [info@bekaert.com](mailto:info@bekaert.com)  
[www.bekaert.com](http://www.bekaert.com)

## PART 4 DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the below sections of the following documents:

1. [the annual report and the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2018 \(consolidated in accordance with IFRS\) and the related auditor's report thereon as set out in the annual report of the Issuer;](#)
2. [the unaudited intermediary report and condensed consolidated interim financial statements of the Issuer for the first six months of 2019 \(prepared in accordance with IAS 34 – Interim Financial Reporting\) as set out in the “2019 first half-year results” press release of the Issuer dated 26 July 2019;](#)
3. [the Press Release of the Issuer of 1 March 2019 on the organisational and leadership changes;](#) and
4. [the Press Release of the Issuer of 28 March 2019 on the restructuring plans of the Issuer in Belgium.](#)

Such documents or, as applicable, such sections of documents shall, in accordance with Article 19 of the Prospectus Regulation, be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (free of charge) from the statutory seat of the Issuer and the website of the Issuer ([www.bekaert.com](http://www.bekaert.com)). The Issuer confirms that it has obtained the approval from its auditors to incorporate the consolidated financial statements and the related audit reports thereon in this Prospectus.

The tables below include references to the sections of the above documents that are incorporated by reference. Information contained in the documents incorporated by reference other than the sections listed in the tables below is for information purposes only and does not form part of this Prospectus. This information is either not relevant for the investors or covered elsewhere in the Prospectus.

Audited consolidated financial statements of the Issuer, auditor's report and explanatory notes of the Issuer for the financial year ended 31 December 2018 (references to the pages of the 2018 annual report).

|  |               |
|--|---------------|
| Consolidated income statement                  | p. 84         |
| Consolidated statement of comprehensive income | p. 85         |
| Consolidated balance sheet                     | p. 86 to 87   |
| Consolidated statement of changes in equity    | p. 88 to 89   |
| Consolidated cash flow statement               | p. 90         |
| Notes to the consolidated financial statements | p. 91 to 198  |
| Report of the statutory auditor                | p. 194 to 199 |

Unaudited Interim consolidated financial statements of the Issuer, and explanatory notes of the Issuer for the first six months of 2019 (references to the pages of the “2019 first half-year results” press release)

|                              |      |
|------------------------------|------|
| Financial statements summary | p. 2 |
|------------------------------|------|

|  |             |
|--|-------------|
| Note on segment reporting  | p. 3        |
| Segment reports  | p. 5 to 8   |
| Investment update and other information                              | p. 9        |
| Financial review   | p. 9 to 11  |
| Notes to the unaudited Interim consolidated financial statements     | p. 11       |
| Consolidated income statement  | p. 12       |
| Reported and underlying  | p. 13       |
| One-off items  | p. 14       |
| Reconciliation of segment reporting                                  | p. 15 to 16 |
| Consolidated statement of comprehensive income                       | p. 17       |
| Consolidated balance sheet   | p. 18       |
| Consolidated statement of changes in equity                          | p. 19       |
| Consolidated cash flow statement                                     | p. 20       |
| Additional key figures   | p. 21       |
| Additional disclosures on disaggregation of revenues                 | p. 22       |
| Additional disclosures on fair value of financial instruments        | p. 23 to 26 |
| Additional disclosures on adoption IFRS 16                           | p. 27 to 28 |
| Other disclosures  | p. 29       |
| Alternative performance measures:<br>definitions and reasons for use | p. 30       |

The Press Releases, mentioned under item 3 and 4 above, are incorporated in their entirety into the Prospectus.

For the avoidance of any doubt any profit forecast or estimate contained in any of the documents above, is not incorporated by reference into this Prospectus.

## PART 5 TERMS AND CONDITIONS OF THE BONDS

The following constitutes the text of the terms and conditions (the “**Conditions**”) of the Bonds (as defined below), save for the paragraphs in italics that shall be read as complementary information.

The issue of the 2.75 per cent. fixed rate bonds due 25 October 2026 (the “**Bonds**”, which expression shall, in these Conditions unless otherwise indicated or unless the context otherwise requires, include any Further Bonds) by NV Bekaert SA (the “**Issuer**”) was authorised by a resolution of the Issuer’s Board of Directors adopted on 2 October 2019. The issue date of the Bonds will be 25 October 2019 (the “**Issue Date**”).

The Bonds are issued subject to and with the benefit of (i) a paying and calculation agency agreement (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) to be entered into between the Issuer and KBC Bank NV as paying agent and calculation agent (the “**Agent**”, which expression shall include any successors as paying agent and calculation agent under the Agency Agreement) on or about the date of this Prospectus and at the latest on the Issue Date and (ii) a service contract for the issuance of fixed income securities which will be entered into on or about the Issue Date between the Issuer, KBC Bank NV as paying agent and the National Bank of Belgium (the “**NBB**”) (“the **Clearing Agreement**”). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Clearing Agreement. Copies of the Agency Agreement and of the Clearing Agreement are available for inspection on the website of the Issuer ([www.bekaert.com](http://www.bekaert.com)) and during normal business hours at the specified office of the Agent. On the date of this Prospectus, the specified office of the Agent is at Havenlaan 2, 1080 Brussels, Belgium.

The Bondholders are bound by and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

References herein to “Condition” are, unless the context requires otherwise, to the numbered paragraphs below.

### 1. DEFINITIONS

For the purposes of these Conditions:

“**Accounting Principles**” means generally accepted accounting principles in the jurisdiction of incorporation of the relevant member of the Group and, in relation to consolidated financial statements of the Issuer, IFRS.

“**Agency Agreement**” has the meaning attributed thereto in the introduction to the Conditions.

“**Agent**” has the meaning attributed thereto in the introduction to the Conditions.

“**Bond**” or “**Bonds**” has the meaning attributed thereto in the introduction to the Conditions.

“**Bondholder**” means each person who is from time to time shown in the records of a participant, sub-participant or the NBB, as operator of the NBB-Clearing System, as the holder of a particular amount of Bonds.

“**Business Day**” means (i) a day other than a Saturday or Sunday on which the NBB-Clearing System is operating and (ii) a day on which banks and forex markets are open for general business in Belgium and (iii) (if a payment in euro is to be made on that day), a day on which the TARGET2 System is operating.

“**Calculation Agent**” means the Agent in its capacity as calculation agent under the Agency Agreement.

A **“Change of Control”** shall occur if an offer is made by any person other than an Exempt Person to all (or as nearly as may be practicable all) shareholders of the Issuer (or all (or as nearly as may be practicable all) such shareholders of the Issuer other than the offeror and/or any parties acting in concert (as defined in Article 3, §1, 5°, of the Belgian Law of 1 April 2007 on public takeover bids or any amendment or re-enactment thereof) with the offeror) to acquire all or a majority of the issued ordinary share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled to acquire as a result of such offer, post completion thereof, ordinary shares of the Issuer or other voting rights of the Issuer so that it has the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general shareholders’ meeting of the Issuer, whereby the date on which the Change of Control shall be deemed to have occurred shall be the date of the publication by the offeror of the results of the relevant offer (and for the sake of clarity prior to any reopening of the offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on public takeover bids).

**“Change of Control Notice”** has the meaning attributed thereto in Condition 5.2.

**“Change of Control Put Date”** means the fourteenth Business Day after the expiry of the Change of Control Put Exercise Period.

**“Change of Control Put Exercise Period”** means the period commencing on the date of a Change of Control and ending 45 calendar days following the date on which a Change of Control Notice is given to the Bondholders.

**“Change of Control Resolutions”** means one or more resolutions duly adopted at a general shareholders’ meeting of the Issuer approving the provisions of Condition 5.2.

**“Clearing Agreement”** has the meaning attributed thereto in the introduction to the Conditions.

**“Clearstream Frankfurt”** means Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany.

**“EUR”, “euro” or “€”** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended

**“Euroclear”** means Euroclear Bank NV/SA, Koning Albert II-laan 1, 1210 Brussels, Belgium.

**“Euroclear France”** means Euroclear France SA, 66 rue de la Victoire 75009 Paris, France.

**“Euronext Brussels”** means Euronext Brussels SA/NV, Markiesstraat 1, 1000 Brussels, Belgium.

**“Exempt Person”** means Stichting Administratiekantoor Bekaert either by itself or acting together with any person with whom Stichting Administratiekantoor Bekaert is acting in concert (as defined in Article 3, §1, 5°, of the Belgian Law of 1 April 2007 on public takeover bids or any amendment thereof). On the date of this Prospectus Stichting Administratiekantoor Bekaert is not acting in concert with any other person.

**“Event of Default”** has the meaning attributed thereto in Condition 8.

**“Financial Indebtedness”** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a nonrecourse basis and meet any requirement for de-recognition under the Accounting Principles);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing and which is treated as a borrowing under the Accounting Principles;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) shares which are expressed to be redeemable and which are classified as borrowings under the Accounting Principles;
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (j) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question;
- (k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and
- (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.

“**Further Bonds**” means any further Bonds issued pursuant to Condition 11 and consolidated and forming a single series with the then outstanding Bonds.

“**FSMA**” means the Belgian Financial Markets and Services Authority (*Autoriteit voor Financiële Markten en Diensten / Autorité des services et marchés financiers*).

“**Group**” means the Issuer and its Subsidiaries for the time being.

“**Interbolsa**” means Interbolsa S.A., Avenida da Boavista, 3433, 4100-138 Porto, Portugal

“**Interest Payment Date**” has the meaning attributed thereto in Condition 4.1.

“**Interest Period**” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Intermediary**” means a bank or other financial intermediary through which the Bondholder holds Bond(s).

“**Issue Date**” has the meaning attributed thereto in the introduction to the Conditions.

“**Issuer**” has the meaning attributed thereto in the introduction to the Conditions.

“**Maturity Date**” means 25 October 2026.

“**Monte Titoli**” means Monte Titoli S.p.A., Piazza degli Affari, 6, Milan, MI 20123, Italy.

“**NBB**” means the National Bank of Belgium, de Berlaimontlaan 14, 1000 Brussels, Belgium.

“**NBB-Clearing System**” has the meaning attributed thereto in Condition 2.1.

“**NBB-SSS Regulations**” has the meaning attributed thereto in Condition 2.1.

“**Principal Amount**” has the meaning attributed thereto in Condition 2.2.

“**Put Repayment Amount**” means an amount per Bond calculated by the Calculation Agent by multiplying the Repayment Rate by the Principal Amount of such Bond and rounding, if necessary, the resultant figure to the nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date.

*The Put Repayment Amount reflects a maximum yield of 0.75 points above the yield of the relevant Bonds on the date of issue of the Bonds up to the Maturity Date in accordance with the Royal Decree of 26 May 1994 on the deduction of withholding tax, which requires that in relation to Bonds that can be traded on N accounts, if investors exercise a right to have the Bonds repaid early, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity by more than 0.75 points.*

“**Relevant Indebtedness**” means any Financial Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) and with an original maturity in excess of one year.

“**Repayment Rate**” means  $\text{MIN}[101\%, 100\% + ((1,0074720148386)^E - 1)]$  where  $E = \text{number of years} + \text{Act}/\text{Act}$  (number of days elapsed divided by number of actual days in that year).

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**SIX SIS**” means SIX SIS AG, Baslerstrasse 100, P.O. Box, Olten 4600, Switzerland.

“**Subsidiary**” means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50 per cent. of whose issued share capital (or equivalent) is then beneficially owned, by the Issuer. For this purpose, for a company to be “controlled” (other than through the beneficial ownership of more than 50 per cent. of the issued share capital (or equivalent)) means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

“**TARGET2 System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto.

References to any law, act or statute or any provision thereof shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

## 2. FORM, DENOMINATION AND STATUS

### 2.1 Form

The Bonds are issued in dematerialized form in accordance with the provisions of the Belgian companies code (*Wetboek van Vennootschappen/Code des Sociétés* dated 7 May 1999 (the “**1999 Belgian Companies Code**”), as amended or replaced from time to time, including with effect from its applicable effective date, by the Belgian *Wetboek van vennootschappen en verenigingen/Code des sociétés et des associations* dated 23 March 2019, as amended from time to time (the “**2019 Belgian Companies and Associations Code**”)) (the “**Belgian Companies Code**”) and cannot be physically delivered. The Bonds will be exclusively represented by book-entries in the records of the securities settlement system operated by the NBB or any successor thereto (the “**NBB-Clearing System**”). The Bonds can be held by their holders through participants in the NBB-Clearing System, including Euroclear, Clearstream Frankfurt, SIX SIS, Monte Titoli, Interbolsa and Euroclear France and through other financial intermediaries that in turn hold the Bonds through Euroclear, Clearstream Frankfurt, SIX SIS, Monte Titoli, Interbolsa and Euroclear France, or other participants in the NBB-Clearing System.

The Bonds are accepted for clearance through the NBB-Clearing System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB-Clearing System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition are referred to herein as the “**NBB-SSS Regulations**”). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

If at any time the Bonds are transferred to another securities settlement system that is not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor securities settlement system and successor securities settlement system operator or any additional securities settlement system and additional securities settlement system operator.

### 2.2 Denomination

The Bonds will have a denomination of EUR 1,000 each (the “**Principal Amount**”).

### 2.3 Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer. The Bonds rank and will at all times rank *pari passu*, without any priority among themselves and equally with all other existing and future unsubordinated and unsecured bonds or other debt securities of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## 3. NEGATIVE PLEDGE

So long as any Bond remains outstanding, the Issuer shall not create or permit to subsist any Security over any of its assets or business to secure any Relevant Indebtedness without at the same time or prior thereto granting to the Bonds the same Security as is created or subsisting or such other Security as shall either (i) not be materially less beneficial to the interest of the Bondholders or (ii) be approved by an Extraordinary Resolution of the Bondholders (as defined under Condition 10.1 (*Meetings of Bondholders*) below).

The above, however, is without prejudice to:

- (a) the right or the obligation of the Issuer to grant Security or have Security granted over its assets pursuant to mandatory provisions of any applicable law or the entry into existence of any Security by operation of law or pursuant to mandatory provisions of any applicable law;

- (b) the right of the Issuer to grant Security to secure Financial Indebtedness other than Relevant Indebtedness;
- (c) the right of the Issuer to grant Security over a certain asset with a view to the financing of such asset; and
- (d) the right of the Issuer to maintain Security over existing assets upon the acquisition of such assets by the Issuer.

## 4. INTEREST

### 4.1 Interest Rate and Interest Payment Dates

Each Bond bears interest from (and including) the Issue Date at the rate of 2.75 per cent. per annum (gross) calculated by reference to its Principal Amount (*i.e.*, EUR 27.5) and such interest amount is payable annually in arrears in equal instalments on 25 October in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 25 October 2020.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated on the basis of (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due, divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next following Interest Payment Date.

### 4.2 Accrual of Interest

Each Bond will cease to bear interest from and including its due date for repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest will continue to accrue at the rate specified in Condition 4.1 (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder.

## 5. REPAYMENT, PURCHASE AND CANCELLATION

### 5.1 Final Repayment

Unless previously purchased and cancelled or repaid as herein provided, the Bonds will be repaid by the Issuer at their Principal Amount on the Maturity Date.

The Bonds may not be repaid at the option of the Issuer prior to the Maturity Date.

### 5.2 Repayment Upon a Change of Control

- (a) *Exercise of Put Option*

In the event that a Change of Control occurs, each Bondholder, at its own initiative, will have the right to require the Issuer to repay all or part of such Bondholder’s Bonds on the Change of Control Put Date at the Put Repayment Amount. The Issuer may not refuse to repay the Bonds, subject to compliance with the procedure described hereunder.

To exercise such right, the relevant Bondholder must deliver to his/her Intermediary (for further delivery to the Issuer) at any time during the Change of Control Put Exercise Period a duly completed and signed notice of exercise (a “**Change of Control Put Exercise Notice**”) substantially in the form attached to this

Prospectus and obtainable upon request during usual business hours from the specified office of the Agent or on the website of the Issuer (www.bekaert.com).

The Bonds shall be delivered for the account of the Issuer by no later than the second Business Day following the end of the Change of Control Put Exercise Period on a delivery against payment basis on the Change of Control Put Date through the Intermediary.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET2 System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall repay all Bonds that are the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

The Issuer undertakes to (a) submit the Change of Control Resolutions for approval at the general shareholders' meeting of the Issuer scheduled to be held in the second quarter of 2020 and (b) file a copy of the Change of Control Resolutions immediately after approval with the Clerk of the Business Court of Ghent, division Kortrijk (*griffie van de ondernemingsrechtbank*).

*Bondholders should note that the exercise by any of them of the option set out in Condition 5.2(a) will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed offer to the shareholders of the Issuer pursuant to Article 7 of the Belgian Royal Decree of 27 April 2007 on takeover bids or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Business Court of Ghent, division Kortrijk (*griffie van de ondernemingsrechtbank*).*

***If a Change of Control occurs prior to such approval and filing, Bondholders will not be entitled to exercise the option set out in Condition 5.2(a). There can be no assurance that such approval will be granted at such meeting.***

(b) *Change of Control Notice*

Within ten (10) Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 12 (a "**Change of Control Notice**"). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require repayment of their Bonds pursuant to this Condition 5.2(a). The Change of Control Notice shall also specify:

- (i) the nature of the Change of Control;
- (ii) the last day of the Change of Control Put Exercise Period;
- (iii) the Change of Control Put Date;
- (iv) the Put Repayment Amount; and
- (v) a summary of the procedure to request the early repayment of the Bonds.

The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur or shall be responsible or liable towards Bondholders or any other person for any loss arising from any failure by it to do so.

(c) *If the Change of Control Resolutions are Not Passed*

If by no later than 31 July 2020 (a) the Change of Control Resolutions are not passed, approved or adopted at a general shareholders' meeting of the Issuer or (b) the Change of Control Resolutions have not been duly filed with the Clerk of the Business Court of Ghent, division Kortrijk, then, with effect from the Interest Period starting on the first Interest Payment Date following 31 July 2020, the rate of interest payable on the Bonds shall be increased by 0.50 per cent. per annum until the last day of the Interest Period during which the Change of Control Resolutions are adopted at a general shareholders' meeting of the Issuer and have been duly filed with the Clerk of the Business Court of Ghent, division Kortrijk.

### **5.3 Purchase**

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer and each of its Subsidiaries may at any time purchase Bonds, both on the open market or otherwise, at any price.

### **5.4 Cancellation**

All Bonds that are repaid will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or the relevant Subsidiary, or cancelled.

## **6. PAYMENTS**

### **6.1 Method of Payment**

Without prejudice to the provisions of the Belgian Companies Code, all payments of principal or interest in respect of the Bonds shall be made through the Agent and the NBB-Clearing System in accordance with the NBB-SSS Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB, as operator of the NBB-Clearing System in respect of each amount so paid.

### **6.2 Payments**

Each payment in respect of the Bonds pursuant to Condition 6.1 will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET2 System.

### **6.3 Payments subject to tax and other applicable laws**

All payments in respect of the Bonds are subject in all cases to any applicable tax or other laws and regulations in the place of payment, without prejudice to Condition 7 (*Taxation*).

### **6.4 Agents, etc.**

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will maintain a paying agent and the paying agent will at all times be a participant in the NBB-Clearing System. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 12 (*Notices*).

### **6.5 No Charges**

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds without prejudice to any such charges that may be charged by the Agent in another capacity, or any such fees or charges that may be charged by other Intermediaries.

## 6.6 Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

## 6.7 Non-Business Days

If any date for payment in respect of the Bonds is not a Business Day, the Bondholder shall not be entitled to payment until the next following Business Day (unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day), nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

## 7. TAXATION

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. The Issuer will not be required to pay any additional or further amounts in respect of such deduction or withholding.

## 8. EVENTS OF DEFAULT

If any of the following events (each an “**Event of Default**”) occurs and is continuing then any Bond may, by notice in writing given by any Bondholder to the Issuer at its statutory seat with a copy to the Agent at its specified office, be declared immediately due and repayable at its Principal Amount together with accrued interest (if any) to the date of payment, without further formality:

- (a) Non-payment: the Issuer fails to pay the Principal Amount of or interest on any of the Bonds when due and such failure continues for a period of five (5) Business Days; or
- (b) Breach of other covenants, agreements or undertakings: the Issuer does not perform or comply with any one or more of its other covenants, agreements or undertakings in the Prospectus, which default is not remedied within fifteen (15) Business Days after notice of such default shall have been given to the Issuer by any Bondholder; or
- (c) Cross-default: any other present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised is not paid when due or, as the case may be, within any applicable grace period, provided that the aggregate amount of the relevant indebtedness in respect of which one or more of the events mentioned above in this paragraph (a) have occurred equals or exceeds EUR 20,000,000 or its equivalent; or
- (d) Insolvency: the Issuer is judicially determined or formally admitted to be insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or announces its intention to stop or suspend payment of all or, a material part of (or of a particular type of) its debts or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer; or
- (e) Winding-up: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer; or

- (f) Transfer of assets – cessation of business: the Issuer disposes of all or substantially all of its assets or ceases to carry on all or substantially all of its business other than:
  - (i) on terms approved by the general meeting of Bondholders; or
  - (ii) for the purposes of or pursuant to any other form of reorganisation or restructuring while solvent that does not adversely affect the interests of the Bondholders;
- (g) Reorganisation or change of business: (a) a material change of the general nature of the activities of the Issuer, as compared to the activities as these are carried out on the Issue Date, occurs or (b) a reorganisation of the Issuer occurs resulting in a material change of the nature of the activities of the Issuer, other than for (a) and (b) on terms approved by the general meeting of Bondholders.
- (h) Security enforced: any security interest such as a mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) provided that in each case the aggregate amount of indebtedness in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds EUR 20,000,000 or its equivalent in any other currency. This paragraph (h) shall not apply to any such step which is being contested by the Issuer in good faith; or
- (i) Delisting: the cancellation or suspension of trading of the Bonds on the regulated market of Euronext Brussels during 15 consecutive Business Days as a result of a default of the Issuer, except if the Issuer obtains the effective listing of the Bonds on another regulated market in the European Economic Area at the latest upon expiration of this period.

## 9. STATUTE OF LIMITATIONS

Claims against the Issuer for payment in respect of the Bonds shall be time-barred and become void unless made within, in the case of the principal amount of the Bonds, ten (10) years from the date set for its repayment, or, in the case of interest on the Bonds, five (5) years from the relevant Interest Payment Date.

Claims in respect of any other amounts payable in respect of the Bonds shall be time-barred and become void unless made within ten (10) years following the due date for payment thereof.

## 10. MEETINGS OF BONDHOLDERS AND MODIFICATION

### 10.1 Meetings of Bondholders

- (a) Subject to paragraph (b) below, all meetings of Bondholders will be held in accordance with the provisions on meetings of Bondholders set out in Schedule 1 to these Conditions (the “**Meeting Provisions**”). Meetings of Bondholders may be convened to consider matters relating to the Bonds, including the modification or waiver of any provision of the Conditions. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of the Issuer.

A meeting of Bondholders may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one fifth of the aggregate nominal amount of the outstanding Bonds.

Any modification or waiver of any provision of the Conditions proposed by the Issuer may only be made if adopted by an Extraordinary Resolution. An “**Extraordinary Resolution**”

means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these Conditions and the Meeting Provisions by a majority of at least 75% of the votes cast, provided, however, that any such proposal (i) to amend the dates of maturity or redemption of the Bonds or date for payment of interest or interest amounts, (ii) to approve an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest, (iii) to approve a reduction of the nominal amount of the Bonds or a modification of the conditions under which any redemption, substitution or variation may be made, (iv) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment in circumstances not provided for in the Conditions, (v) to change the currency of payment of the Bonds, (vi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution or (vii) to amend this provision, may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or representing not less than 75% or, at an adjourned meeting, 25% of the aggregate nominal amount of the outstanding Bonds forms a quorum.

Resolutions duly passed by a meeting of Bondholders in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Meeting Provisions furthermore provide that, for so long as the Bonds are in dematerialised form and settled through the NBB-Clearing System and to the extent permitted by Belgian law, in respect of any matters proposed by the Issuer, the Issuer shall be entitled, where the terms of the resolution proposed by the Issuer have been notified to the Bondholders through the relevant clearing systems as provided in the Meeting Provisions, to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) by or on behalf of the holders of not less than 75% in nominal amount of outstanding Bonds. To the extent such electronic consent is not being sought, the Meeting Provisions provide that, if authorised by the Issuer and to the extent permitted by Belgian law, a resolution in writing signed by or on behalf of holders of not less than 75% of the nominal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of Bonds duly convened and held, provided that the terms of the proposed resolution shall have been notified in advance to those Bondholders through the relevant settlement system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) For so long as the relevant provisions relating to meetings of Bondholders of the 1999 Belgian Companies Code cannot be derogated from, where any provision of the Meeting Provisions would conflict with the relevant provisions of the 1999 Belgian Companies Code, the mandatory provisions of the 1999 Belgian Companies Code will apply.

## **10.2 Modification**

The Agent and the Issuer may agree, without the consent of the Bondholders, to (i) any modification of the provisions of the Agency Agreement or any agreement supplemental thereto that is not materially prejudicial to the interests of the Bondholders, or (ii) any modification of the Bonds, the Conditions of the Bonds, or the Agency Agreement that is of a formal or technical nature, made to correct a manifest error or to comply with provisions of mandatory law.

Each such change is binding for all Bondholders and any such modification shall be notified to the Bondholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

## **11. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Bondholders create and issue further tranches of bonds either having the same terms and conditions in all respects as the outstanding Bonds or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding Bonds, or upon such terms as to interest, premium, repayment and otherwise as the Issuer may determine at the time of their issue.

References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition and forming a single series with the relevant Bonds.

## **12. NOTICES**

Notices to the Bondholders shall be valid if:

- (a) delivered by or on behalf of the Issuer to the NBB-Clearing System for communication by it to the NBB-Clearing System participants; and
- (b) published on the website of the Issuer ([www.bekaert.com](http://www.bekaert.com)).

Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the NBB-Clearing System and (ii) the publication on the website of the Issuer.

The Issuer shall further ensure that all notices are duly published in a manner which complies with the rules and regulations of the regulated market of Euronext Brussels and on any stock exchange or other relevant authority on which the Bonds are listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

## **13. GOVERNING LAW AND JURISDICTION**

### **13.1 Governing Law**

The Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

### **13.2 Jurisdiction**

The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings between any Bondholder and the Issuer arising out of or in connection with the Agency Agreement or the Bonds is to be brought in such courts.

## SCHEDULE 1

### PROVISIONS ON MEETINGS OF BONDHOLDERS

#### Interpretation

1. In this Schedule, defined terms shall have the meaning given to them in the Conditions, and further:
  - 1.1 references to a “**meeting**” are to a meeting of Bondholders and include, unless the context otherwise requires, any adjournment;
  - 1.2 “**agent**” means a holder of a Voting Certificate or a proxy for, or representative of, a Bondholder;
  - 1.3 “**Block Voting Instruction**” means a document issued by a Recognised Accountholder or the NBB-Clearing System in accordance with paragraph 9;
  - 1.4 “**Electronic Consent**” has the meaning set out in paragraph 30.1;
  - 1.5 “**Ordinary Resolution**” means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50% of the votes cast;
  - 1.6 “**Recognised Accountholder**” means a member (*affilié/aangesloten lid*) referred to in the Belgian Royal Decree n°62, with whom a Bondholder holds Bonds on a securities account;
  - 1.7 “**Voting Certificate**” means a certificate issued by a Recognised Accountholder or the NBB-Clearing System in accordance with paragraph 7;
  - 1.8 “**Written Resolution**” means a resolution in writing signed by the holders of not less than 75% in nominal amount of the Bonds outstanding; and
  - 1.9 references to persons representing a proportion of the Bonds are to Bondholders, proxies or representatives of such Bondholders holding or representing in the aggregate at least that proportion in nominal amount of the Bonds for the time being outstanding.

#### General

2. All meetings of Bondholders will be held in accordance with the provisions set out in this Schedule.
  - 2.1 For so long as the relevant provisions relating to meetings of bondholders of the 1999 Belgian Companies Code cannot be derogated from, where any provision of this Schedule would conflict with the relevant provisions of the 1999 Belgian Companies Code, the mandatory provisions of the 1999 Belgian Companies Code will apply.
  - 2.2 Where any of the provisions of this Schedule would be illegal, invalid or unenforceable, that will not affect the legality, validity and enforceability of the other provisions of this Schedule.

#### Extraordinary Resolution

3. An Extraordinary Resolution may be passed (a) at a meeting of Bondholders duly convened and held in accordance with this Schedule 1 (Provisions on meetings of Bondholders) by a majority of at least 75% of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent. Without prejudice to any powers conferred on other persons by this Schedule, the following decisions can only be taken by a meeting of Bondholders (i) with the express consent of the Issuer (except in the case of sub-paragraph 3.5) and (ii) by Extraordinary Resolution:

- 3.1 to adopt any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);
- 3.2 to adopt any modification of the Conditions proposed by the Issuer or the Agent;
- 3.3 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 3.4 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- 3.5 to appoint any persons (whether Bondholders or not) as a committee or committees to represent the Bondholders' interests and to confer on them any powers (or discretions which the Bondholders could themselves exercise by Extraordinary Resolution);
- 3.6 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Bonds in circumstances not provided for in the Conditions or in applicable law; and
- 3.7 to accept any security interests established in favour of the Bondholders or a modification to the nature or scope of any existing security interest established in favour of the Bondholders or a modification to the release mechanics of any such existing security interests,
- 3.8 provided that the special quorum provisions in paragraph 18 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") (i) in respect of the matters set forth in sub-paragraph 3.6 above or (i) in respect of any proposal to amend the Conditions that intends (other than in accordance with the Conditions or pursuant to applicable law):
  - (i) to amend the dates of maturity or redemption of the Bonds or date for payment of interest or interest amounts;
  - (ii) to approve an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest;
  - (iii) to approve a reduction of the nominal amount of the Bonds or a modification of the conditions under which any redemption, substitution or variation may be made;
  - (iv) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment in circumstances not provided for in the Conditions;
  - (v) to change the currency of payment of the Bonds;
  - (vi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution; or
  - (vii) to amend this provision.

#### **Ordinary Resolution**

4. Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Bondholders shall have power by Ordinary Resolution:
  - 4.1 to adopt any decision to take any conservatory measures in the general interest of the Bondholders;
  - 4.2 to appoint any representative to implement any Ordinary Resolution; or

- 4.3 to adopt any other decisions which do not require an Extraordinary Resolution to be passed. Any modification or waiver of any of the Conditions shall always be subject to the consent of the Issuer.

### **Convening a meeting**

5. The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Bondholders holding at least 20% in principal amount of the Bonds for the time being outstanding. Every meeting shall be held at a time and place approved by the Agent.
6. Convening notices for meetings of Bondholders shall be given to the Bondholders in accordance with Condition 12 (*Notices*) not less than fifteen days prior to the relevant meeting. The notice shall specify the day, time and place of the meeting and the nature of the resolutions to be proposed and shall explain how Bondholders may appoint proxies or representatives, obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

### **Arrangements for voting**

7. A Voting Certificate shall:
- 7.1 be issued by a Recognised Accountholder or the NBB-Clearing System;
- 7.2 state that on the date thereof (i) the Bonds (not being Bonds in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the NBB-Clearing System) held to its order or under its control and blocked by it and (ii) that no such Bonds will cease to be so held and blocked until the first to occur of:
- (i) the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and
  - (ii) the surrender of the Voting Certificate to the Recognised Accountholder or the NBB-Clearing System who issued the same; and
- 7.3 further state that until the release of the Bonds represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Bonds represented by such certificate.
8. A Block Voting Instruction shall:
- 8.1 be issued by a Recognised Accountholder or the NBB-Clearing System;
- 8.2 certify that the Bonds (not being Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the NBB-Clearing System) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of:
- (i) the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and
  - (ii) the giving of notice by the Recognised Accountholder or the NBB-Clearing System to the Issuer, stating that certain of such Bonds cease to be held with it or under its

control and blocked and setting out the necessary amendment to the Block Voting Instruction;

- 8.3 certify that each holder of such Bonds has instructed such Recognised Accountholder or the NBB-Clearing System that the vote(s) attributable to the Bond(s) so held and blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing 48 hours prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;
- 8.4 state the principal amount of the Bonds so held and blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and
- 8.5 naming one or more persons (each hereinafter called a “**proxy**”) as being authorised and instructed to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in 8.4 above as set out in such document.
9. If a holder of Bonds wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must block such Bonds for that purpose at least 48 hours before the time fixed for the meeting to the order of the Agent with a bank or other depositary nominated by the Agent for the purpose. The Agent shall then issue a Block Voting Instruction in respect of the votes attributable to all Bonds so blocked.
10. No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.
11. The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Bondholder.
12. Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Bonds held to the order or under the control and blocked by a Recognised Accountholder or the NBB-Clearing System and which have been deposited at the statutory seat at the Issuer not less than 48 hours before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Bonds continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Bonds to which such Voting Certificate or Block Voting Instruction relates.
13. In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.
14. A corporation which holds a Bond may by delivering at least 48 hours before the time fixed for a meeting to a bank or other depositary appointed by the Agent for the purpose a certified copy of a resolution of its directors or other governing body (with, if it is not in English, a certified translation into English) authorise any person to act as its representative (a “**representative**”) in connection with that meeting.

## Chairman

15. The chairman of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Bondholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Bondholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

## Attendance

16. The following may attend and speak at a meeting of Bondholders:
- 16.1 Bondholders and their agents;
- 16.2 the chairman and the secretary of the meeting;
- 16.3 the Issuer and the Agent (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

## Quorum and Adjournment

17. No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Bondholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.
18. One or more Bondholders or agents present in person shall be a quorum:
- 18.1 in the cases marked “**No minimum proportion**” in the table below, whatever the proportion of the Bonds which they represent;
- 18.2 in any other case, only if they represent the proportion of the Bonds shown by the table below.

| Purpose of meeting                   | Any meeting except for a meeting previously adjourned through want of a quorum | Meeting previously adjourned through want of a quorum |
|--------------------------------------|--|---|
|                                      | Required proportion  | Required proportion                                   |
| To pass a special quorum resolution  | 75%  | 25%   |
| To pass any Extraordinary Resolution | A clear majority.  | No minimum proportion                                 |
| To pass an Ordinary Resolution       | 10%  | No minimum proportion                                 |

19. The chairman may, with the consent of (and shall if directed by) a meeting, adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 17.
20. At least ten days' notice of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

### **Voting**

21. Each question submitted to a meeting shall be decided by a show of hands, unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more persons representing 2% of the Bonds.
22. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.
23. If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
24. A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
25. On a show of hands or a poll every person has one vote in respect of each nominal amount equal to the minimum Principal Amount of the Bonds so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
26. In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

### **Effect and Publication of an Extraordinary and an Ordinary Resolution**

27. An Extraordinary Resolution and an Ordinary Resolution shall be binding on all the Bonds, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Ordinary Resolution or an Extraordinary Resolution to Bondholders within fourteen days but failure to do so shall not invalidate the resolution.

### **Minutes**

28. Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

29. The minutes must be published on the website of the Issuer within fifteen days after they have been passed.

### **Written Resolutions and Electronic Consent**

30. For so long as the Bonds are in dematerialised form and settled through the NBB-Clearing System, then in respect of any matters proposed by the Issuer:

- 30.1 Where the terms of the resolution proposed by the Issuer have been notified to the Bondholders through the relevant clearing system(s) as provided in sub-paragraphs (i) and/or (ii) below, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75% in nominal amount of the Bonds outstanding (the “**Required Proportion**”) by close of business on the Relevant Date (“**Electronic Consent**”). Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.

- (i) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least fifteen days’ notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Bondholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Bondholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the “**Relevant Date**”) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).
- (ii) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall be deemed to be defeated. Such determination shall be notified in writing to the Agent. Alternatively, the Issuer may give a further notice to Bondholders that the resolution will be proposed again on such date and for such period as determined by the Issuer. Such notice must inform Bondholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph 30.1.1 above. For the purpose of such further notice, references to “**Relevant Date**” shall be construed accordingly. For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraph 6 above, unless that meeting is or shall be cancelled or dissolved.

- 30.2 To the extent Electronic Consent is not being sought in accordance with paragraph 30.1, a resolution in writing signed by or on behalf of the holders of not less than 75% in nominal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Bondholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Bondholders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. For the purpose of determining whether a resolution in writing has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the clearing system(s) with entitlements to the Bonds or (b) where the

accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the NBB-Clearing System, Euroclear, Clearstream Frankfurt, Interbolsa or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream Frankfurt’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of Bonds is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

31. A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Bondholders whether or not they participated in such Written Resolution and/or Electronic Consent.

## **PART 6 CLEARING**

The Bonds will be accepted for clearing through the NBB-Clearing System under the ISIN code BE0002673540 and Common Code 206429992, and will accordingly be subject to the NBB-SSS Regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB.

Access to the NBB-Clearing System is available through those of its NBB-Clearing System participants whose membership extends to securities such as the Bonds.

NBB-Clearing System participants include certain banks, stockbrokers, and Euroclear, Clearstream Frankfurt, SIX SIS, Monte Titoli, Interbolsa and Euroclear France. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear, Clearstream Frankfurt, SIX SIS, Monte Titoli, Interbolsa and Euroclear France and investors can hold their Bonds within securities accounts in Euroclear, Clearstream Frankfurt, SIX SIS, Monte Titoli, Interbolsa and Euroclear France.

Transfers of interests in the Bonds will be effected between NBB-Clearing System participants in accordance with the rules and operating procedures of the NBB-Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB-Clearing System participants through which they hold their Bonds.

KBC Bank NV, having its statutory seat at Havenlaan 2, 1080 Brussels, Belgium (the “**Paying Agent**”) will perform the obligations of paying agent included in the Clearing Agreement (as further defined in the Conditions) in relation to the Bonds.

The Issuer and the Paying Agent will not have any responsibility for the proper performance by the NBB-Clearing System or its NBB-Clearing System participants of their obligations under their respective rules and operating procedures.

## PART 7 DESCRIPTION OF THE ISSUER

### 1. INTRODUCTION

The Issuer and its Subsidiaries (for this Part 7, “**Bekaert**” or the “**Group**”) is a world market and technology leader in steel wire transformation and coating technologies. Bekaert (Euronext Brussels: BEKB) was established in 1880 and is a global company with approximately 29,000 employees worldwide, headquarters in Belgium and EUR 5 billion in combined sales in 2018.

Bekaert’s core competences are transforming steel wire and applying unique coating technologies. Depending on the customers’ requirements, Bekaert draws wire in different strengths and diameters, even as thin as ultra-fine fibers of 1 micron. Wires are grouped into cords, strands and ropes, woven or knitted into fabric, or processed into an end product. Depending on the application, Bekaert applies high-tech coatings which reduce friction, improve corrosion resistance, or enhance wear resistance or adhesion with other materials. Bekaert annually buys more than 3 million tons of wire rod, the primary raw material.

### 2. INCORPORATION AND GENERAL INFORMATION

The Issuer was incorporated as a private limited company (*personenvennootschap met beperkte aansprakelijkheid/société privée à responsabilité limitée*) on 19 October 1935 and was converted into a public limited liability company (*naamloze vennootschap/société anonyme*) under Belgian law on 25 April 1969. It has an unlimited term.

Bekaert has its statutory seat at Bekaertstraat 2, 8550 Zwevegem, Belgium, its enterprise number is 0405.388.536 (RPR Ghent, division Kortrijk) and its LEI is 5493008SR6XZECH6BN71. Its telephone number (at its statutory seat) is +32 56 76 61 00.

Bekaert’s website is [www.bekaert.com](http://www.bekaert.com). Potential investors should be aware that the information on the website does not form part of the Prospectus unless that information is expressly incorporated by reference into this Prospectus. Part 4 of this Prospectus contains an overview of all such information that is incorporated by reference into this Prospectus.

### 3. STATUTORY AUDITORS

The statutory auditor of the Issuer (the “**Statutory Auditor**”) is Deloitte Bedrijfsrevisoren CVBA, with statutory seat at Gateway building, Luchthaven Brussel Nationaal 1 J, B-1930 Zaventem, Belgium, represented by Charlotte Vanrobaeys.

Deloitte Bedrijfsrevisoren CVBA is a member of the Belgian *Instituut van de Bedrijfsrevisoren*.

The consolidated financial statements of the Issuer for the financial year ended 31 December 2018 has been audited and approved without reserve by Deloitte Bedrijfsrevisoren CVBA.

At the Annual General Meeting of Shareholders of the Issuer of 8 May 2019, the Statutory Auditor has been re-appointed for an additional 3 year period, ending at the Annual General Meeting of Shareholders in 2022.

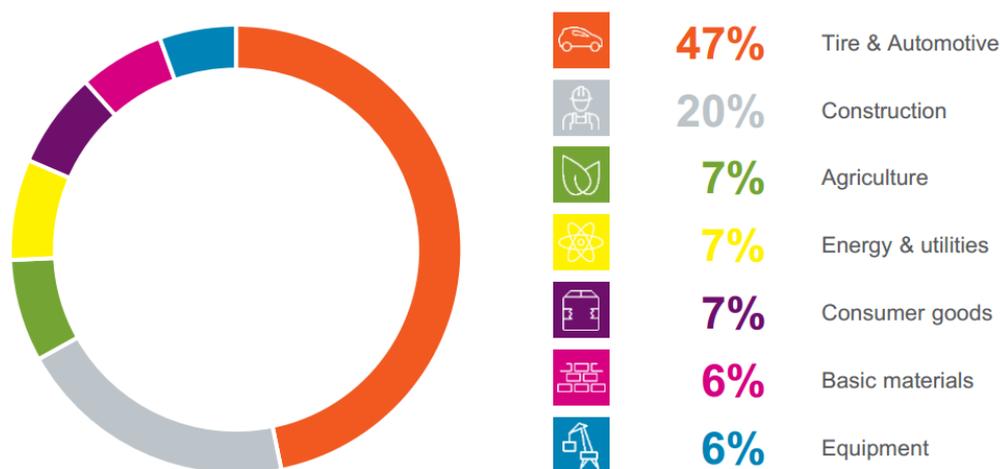
### 4. BUSINESS OVERVIEW

Bekaert’s activities are built on two core competences: steel wire transformation and coating technologies.

The Group strives for an optimal synergy between its two core competences. Innovative coatings provide specific characteristics to wire products such as reduced friction, improved corrosion resistance, stronger

adhesion or enhanced wear resistance. Bekaert invests in research and development and distinguishes itself through co-creation with key customers.

Not only the Group’s geographical spread generates sustainable growth opportunities, also the spread over seven diverse sectors protects Bekaert, to some extent, against cyclical movements and changes in market conditions. Moreover, this presence in different sectors benefits customers, because solutions developed for customers in one sector often form the basis of innovations in others.



*Sales breakdown combined revenue in the first half of 2019*

**(a) Tire and Automotive Sector**

The tire and automotive sector is the most significant buyer of Bekaert products, accounting for 47 per cent. of Bekaert’s sales of the first half of 2019. The largest part is supplied to the tire replacement market, which is less susceptible to market fluctuations, and the remainder is delivered via original equipment suppliers to car manufacturers.

Bekaert supplies steel cord to nearly all tire manufacturers in the world. Steel cord is used as reinforcement for radial tires. About 25 per cent. is supplied via the tire producers to car manufacturers and about 75 per cent. to the replacement market.

Bekaert also provides its customers with specialised wire products such as wiper blade wire and car seat heating yarns and thereby intends to meet the highest quality standards.

**(b) Construction Sector**

The construction sector accounts for about 20 per cent. of Bekaert’s sales of the first half of 2019. The wire, mesh, ropes, advanced cords and fiber products find applications in construction, in elevator systems, in erosion protection, in roads and bridges, in architectural solutions, and in underground tunnels and shafts.

Bekaert supplies traditional reinforcement products for concrete and masonry as well as more advanced products that ensure greater strength, ease of installation, and more durable solutions. Dramix® steel fibers make up a large share of the advanced concrete reinforcement products.

**(c) Agriculture Sector**

Agriculture accounts for 7 per cent. of Bekaert's sales of the first half of 2019. The sector uses specialised fencing solutions, auger wire, crop tensioning wire and other products.

(d) **Energy and Utilities Sector**

Energy and utilities markets comprise a combined 7 per cent. of Bekaert's sales of the first half of 2019. The sector covers oil and gas markets, power and telecom distribution, and solar markets.

The products for these markets include cable reinforcement; wires, ropes and flexible pipe armouring for oil and gas extraction; steel wires, strands and conductors for overhead power lines, telecom armouring wire and sawing wire.

(e) **Consumer Goods Sector**

Consumer goods comprise a combined 7 per cent. of Bekaert's sales of the first half of 2019. The Bekaert consumer product portfolio includes, among others: champagne cork muselet wire, paper clip, fishhook, staple, spoke and other application wires, and durable and industrial applications such as ski lift ropes, inkjet cartridge filters, and heatable textile fabric yarns.

(f) **Basic Materials Sector**

6 per cent. of Bekaert's sales of the first half of 2019 relate to supplies for the production or exploration of raw materials: coal, metals, glass, chemicals and textiles. Examples are cords and fabrics for conveyor belts for diverse industries or filter media made of ultrathin steel fibers. Bekaert also supplies a wide variety of ropes and other steel wire products to mines all over the world.

(g) **Equipment Sector**

Accounting for a combined 6 per cent. of Bekaert's sales of the first half of 2019, machine builders and operators utilize a variety of specialized wire products for components. These include, amongst others, spring wire, hydraulic filter media, hose reinforcement wire, steel, hybrid and synthetics ropes, and advanced cords for timing belts. The products are used both in the construction of machines and in the machine equipment itself.

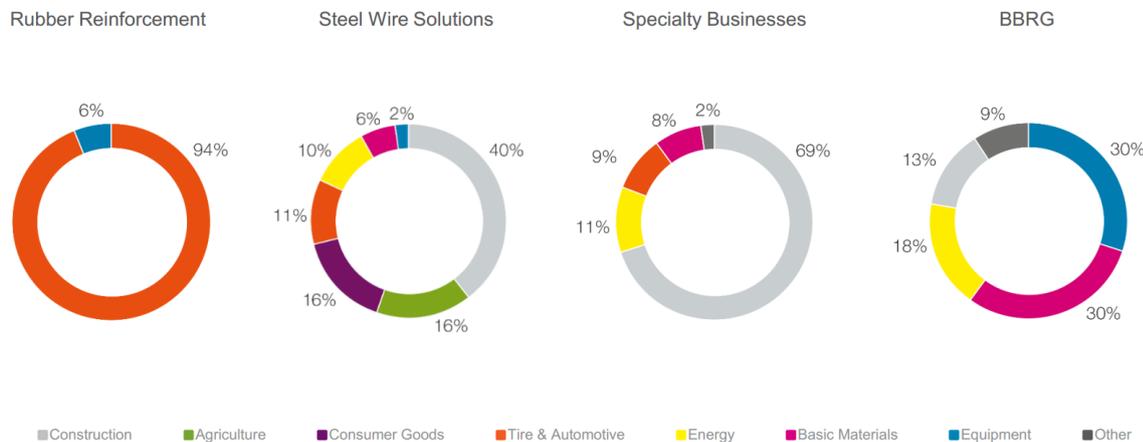
## 5. **SEGMENT OVERVIEW**

In line with the organisational changes implemented in early March 2019, Bekaert's segment reporting has changed. The new segmentation will drive transparency into the business dynamics of each reporting unit and replace the previous geographic segmentation, to which Bridon-Bekaert Ropes Group had been added as a separate reporting segment.

The new organisational structure consists of four Business Units and four Global Functional Domains. The new reporting segments are:

- The Business Unit Rubber Reinforcement: serving industries that use tire cord, bead wire, hose reinforcement wire and conveyor belt reinforcement.
- The Business Unit Steel Wire Solutions: serving industrial, agricultural, consumer and construction markets with a broad range of steel wire products and solutions.
- The Business Unit Specialty Businesses: including building products, fiber technologies, combustion technology and sawing wire.
- The Business Unit Bridon-Bekaert Ropes Group ("**BBRG**"): including the ropes and advanced cords businesses.

The business units have global P&L accountability for strategy and delivery in their distinct areas and therefore have dedicated production facilities and commercial and technology teams within their respective organisation. The Group’s business units (“BU”) are characterised by BU-specific product and market profiles, industry trends, cost drivers, and technology needs tailored to specific industry requirements.



More information on the organisational changes of the Issuer can be found in the Issuer’s press release of 1 March 2019, which has been incorporated by reference into this Prospectus, and the segment reports on pages 5 to 8 of the “2019 first half-year results” press release of the Issuer of 26 July 2019.

## 6. GEOGRAPHICAL PRESENCE



Bekaert is present all over the world with manufacturing plants, sales and distribution offices, and Research & Development and Engineering facilities in 44 countries, of which 80 manufacturing sites in 27 different countries.

## 7. TREND INFORMATION

### 7.1 No significant change or material adverse change

There has been no significant change in the financial or trading position of the Issuer since 30 June 2019 nor is there a material adverse change in the prospects of the Issuer since 31 December 2018.

### 7.2 Trends

Since the publication date of the Issuer's last audited financial statements (full year 2018 statements released on 1 March 2019), Bekaert has seen business conditions in various sectors trending lower as a result of continued uncertainty which induces growth moderation caused by tighter markets and postponed industry investments. This trend has materialised in the first half of 2019 with a modest volume decline (-1 per cent.) year-on-year. Part of this decline was due to demand trends, while another part was due to a deliberate choice to focus on quality business (sales orders that add value).

The headwinds reported in the disclosures of the full year 2018 results and the first half 2019 results include the following elements (completed with current status update):

#### *Economic difficulties*

Trade tensions and policy changes continue to affect economic developments and perspectives, due to increased uncertainty caused by the trade war between the US and China, Brexit, and changes in trade policy due to safeguard measures all over the world.

#### *Company performance elements - loss-making entities and other profitability issues*

While the underlying demand in automotive and industrial steel wire markets remained strong, the following factors have weighed on the Issuer's profitability since the second half of 2017:

##### A. Wire rod price volatility

Wire rod is the Issuer's main raw material, which is purchased from steel mills from all over the world. Wire rod represents about 45 per cent. of the cost of sales of the Issuer. Wire rod prices have increased drastically in the period from 2016 to 2018, have declined at the very beginning of 2019, but surged again after the Vale mine disaster in Brazil end of January 2019. Prices have decreased again in the course of the second quarter of 2019 and continue to be volatile, but within a much narrower fluctuation band compared with the past years. The non-cash impact of lower wire rod prices may affect the profitability of the Issuer through the inventory valuation effects. Significant changes in market price level (resulting in a market price below the price the Issuer actually paid for the inventory) can therefore impact the balance sheet and the income statement of the Issuer.

##### B. The impact of changes to trade policies

This headwind has occurred particularly in the US, where the EBIT margin on sales for the segment North America dropped from 6 per cent. in 2017 to 4 per cent. in 2018. The cost increase due to import duties was passed on to customers, but with some delay because of contract terms with customers and of storage and production time. The changes in supply sources also led to extra costs and efficiency losses that could not be passed on.

##### C. The slow recovery of Bridon-Bekaert Ropes Group

Bridon-Bekaert Ropes Group (BBRG) started its merged operations in June 2016. The intended profit restoration has not yet materialized. In its first full year of operations (2017), BBRG reported an underlying

EBIT margin of 3.3%. In 2018, BBRG reported an underlying EBIT margin of -1.5%. The loss generation of BBRG in 2018 accounted for EUR 22,000,000 in the year-on-year underlying EBIT comparison of Bekaert's consolidated results (2018 versus 2017), representing a large share of the Group's consolidated underlying EBIT decline by EUR 91,000,000.

D. The low demand for loose abrasive sawing wire

Since mid-2017, the demand for loose abrasive sawing wire drastically declined and today is nihil. Until mid-2017, this product group contributed a good profit level to the results of the Issuer. In the year-on-year underlying EBIT comparison of Bekaert's consolidated results (2018 versus 2017: minus EUR 91,000,000), the impact from the disappeared loose abrasive sawing wire activity represented a decline of EUR 30,000,000.

E. Delayed investment activity in the oil and gas markets

Delayed investment activity in the oil and gas markets have caused a decline in demand for flexible pipe armoring products as well as for ropes. This has weighed on the product mix and profitability of both the Steel Wire Solutions segment and of Bridon-Bekaert Ropes Group.

F. Higher than anticipated start-up costs in the plant expansions in EMEA and Asia Pacific

Bekaert invested significantly in Slovakia, Romania, Russia, China and India in 2018. The benefits of those investments came in later than anticipated because of various start-up issues.

G. The loss making activities in Figline Valdarno, Italy and in Orotina, Costa Rica

The competitive position of the Figline entity has been under pressure in recent years. Due to a significantly higher cost structure compared with other Bekaert rubber reinforcement plants, the plant has not been able to generate a financially sustainable performance. The entity was loss making and impacted the profitability of the Issuer in the past years. The same applied to the Orotina Dramix® plant in Costa Rica.

H. Competitiveness of Bekaert's operations in Belgium

Bekaert had a heavy and expensive structure in Belgium, which weighed on profitability and on the speed of certain activities, including the bring-to-market process of product and process innovations.

I. Inflationary costs in general

Salary costs, energy costs, and other costs have increased over the past years.

J. The difficult business climate in Latin America

In Latin America, the economic business climate has been difficult due to recession, corruption scandals, and political instability, all of which have weighed on public spending in infrastructure projects, which is an important driver for the Issuer's business in the region; and

K. The divestment of Sumaré in Brazil

The Issuer integrated the higher than average margin entity of Sumaré into the joint venture it has with ArcelorMittal in Brazil. The deal was closed on 22 June 2017. Since then, the sales and results of Sumaré are presented as share in the joint ventures and associated companies, and no longer as part of the consolidated results of the Issuer.

#### L. The compulsory liquidation of British Steel

On 22 May 2019, British Steel has been placed in compulsory liquidation. British Steel is a supplier to Bekaert, particularly in Europe. In 2018, about 6 per cent. of Bekaert's wire rod needs (consolidated) were supplied by British Steel. On a European scale (including BBRG), about 20 per cent. of Bekaert's wire rod came from British Steel. So far, supplies have not interrupted as the steel maker has continued operations and supplies with government support. Negotiations are ongoing with potential candidates for a takeover. Failure in a successful takeover deal of British Steel could lead to some necessary supply chain changes for the Issuer and more source dependency.

#### ***Recent measures taken to deal with the above headwinds***

##### A. US Trade

In the US, the Issuer can again import duty-free wire rod from Brazil since 1 January 2019. Thanks to successful lobbying, the Issuer also obtained exemptions for imports from relevant other countries for those wire rod types that cannot be sourced in the US.

##### B. BBRG Profit Restoration

The Issuer has implemented a profit restoration program in BBRG. A 3-year business plan has been developed and is in implementation. Among other measures and actions, BBRG is implementing and accelerating:

- Operational synergies and commercial strategy implementation in Brazil, making the organization more agile, customer-driven and profitable;
- The entry into partnerships: e.g., the partnership with Applied Fiber to co-develop and bring-to-market terminated synthetic ropes for heavy industrial applications and the partnership with DSM for the co-creation of an innovative hybrid (steel and fibers) rope with successful field trials in mining;
- Review and update of pricing mechanisms;
- Organizational effectiveness and efficiencies; and
- Cost-efficient financing.

##### C. Fixed abrasive (diamond) sawing wire

The Issuer has developed a fixed abrasive (diamond) sawing wire. Customers have tested and approved the product. However, the current production scale is too limited to generate reasonable profitability. The business activity is currently breakeven. A final decision about the future of the business and under which form is still to be taken.

##### D. Other actions

- Some of the start-up issues in Central Europe and India have been resolved, while other remain. The Issuer is implementing actions to solve the operational efficiencies in those plants.
- On 22 June 2018 Bekaert announced the decision to close the rubber reinforcement entity in Figline e Incisa Valdarno, Italy and cease all activities there.

- On 7 September 2018 Bekaert announced its decision to cease all Dramix® steel fiber manufacturing operations in Orotina, Costa Rica, and to close the respective entity, Bekaert Costa Rica SA.
- On 28 March 2019, Bekaert announced:
  - the move of (i) the production related standard test lab activities to production plants that have a global service role; (ii) the spare parts activities to Slovakia, close to the Group’s main production plants in Central Europe; and (iii) certain pilot line developments to the relevant ‘key learning plants’;
  - the closure of Bekaert’s Dramix® plant in Moen, Belgium and plans to further upscale the production capacity of the Dramix® plants in Petrovice, Czech Republic and in Lonand, India; and
  - the reduction of certain activities and better alignment with the business needs and the new organisational structure of the Group, including the downsizing of administrative and other support roles by better leveraging the potential of standardization, centralization, outsourcing and relocation.
- On 1 October 2019, Bekaert announced:
  - that it has signed a collective labor agreement with the trade unions related to a social plan negotiated for the restructuring of the activities in Belgium;
  - that the restructuring will affect approximately 200 employees. The negotiations have led to a reduction of the number of redundancies and the final impact is still subject to the decision of employees who will be invited to consider internal vacancies or an early retirement offer; and
  - that a provision of EUR 30,000,000 has been booked for the costs related to the social plan.

All the above actions are aimed at improving the profitability of the Group and offsetting existing and future headwinds.

Please also refer to Risk Factors 1.1 (a) “*The Issuer’s business, results of operations and financial condition could be materially affected by global economic and political conditions*” and 1.1(b) “*Turning around the profitability of weaker performing businesses and other restructuring actions take time and weigh on the profitability of the Issuer*”.

## **8. BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

### **8.1 Board of Directors**

The main tasks of the Board of Directors are to determine the Issuer’s general policy, approve the strategy and supervise the activities. The Board of Directors is the Issuer’s supreme decision-making body in all matters, other than those in respect of which decision-making powers are reserved to the General Meeting of Shareholders by law or by the Articles of Association.

The Board of Directors consists of thirteen members, who have been appointed by the General Meeting of Shareholders. Seven Directors have been appointed from among candidates nominated by the principal shareholder.

In accordance with provision 1.5 of the Belgian Corporate Governance Code 2009<sup>1</sup>, the Chairman and the Chief Executive Officer are not the same individual. The Chief Executive Officer is the only Board member with an executive function. All other members are non-executive Directors.

Five Directors are independent in accordance with the criteria of Article 526ter of the Belgian Companies Code and provision 2.3 of the Belgian Corporate Governance Code 2009: Celia Baxter (first appointed in 2016), Pamela Knapp (first appointed in 2016), Colin Smith (first appointed in 2018), Mei Ye (first appointed in 2014) and Jürgen Tinggren (first appointed in 2019).

Since the Annual General Meeting of 11 May 2016, the Issuer is compliant with the legal requirement that at least one third of the members of the Board of Directors are of the opposite gender.

| Name  | First appointed | Expiry of current term | Principal occupation*  | Office address  |
|---|-----------------|------------------------|--|---|
| <b>Chairman</b>   |                 |                        |  |   |
| JÜRGEN TINGGREN   | 2019            | 2023                   | NV Bekaert SA  | NV Bekaert SA, Bekaertstraat 2, 8550 Zwevegem, Belgium  |
| <b>Managing Director</b>  |                 |                        |  |   |
| MATTHEW TAYLOR  | 2014            | 2022                   | NV Bekaert SA  | NV Bekaert SA, Bekaertstraat 2, 8550 Zwevegem, Belgium  |
| <b>Directors appointed upon nomination by the principal shareholder</b> |                 |                        |  |   |
| GRÉGORY DALLE   | 2015            | 2023                   | Managing Director of Credit Suisse, Investment Banking and Capital Markets | Credit Suisse International, Investment Banking and Capital Markets, 1 Cabot Square, E14 4QJ London, United Kingdom |
| CHARLES DE LIEDEKERKE   | 1997            | 2022                   | Director of companies  | Nestor Plissartlaan 8, 1040 Brussels, Belgium   |
| CHRISTOPHE JACOBS VAN MERLEN  | 2016            | 2020                   | Managing Director, Bain Capital Private Equity (Europe) LLP (UK)           | Bain Capital Europe, LLP, Devonshire House, Mayfair Place, London W1J 8AJ, United Kingdom                           |
| HUBERT JACOBS VAN MERLEN  | 2003            | 2022                   | Director of companies  | Rue des Cerisiers 29, 1322 Luxembourg, Grand Duchy of Luxembourg  |
| CAROLINE STORME   | 2019            | 2023                   | Head Financial Planning Analyst R&D, UCB S.A. (Belgium)                    | UCB S.A., Allée de la Recherche 60, 1070 Brussels, Belgium  |
| EMILIE VAN DE WALLE DE GHELCKE  | 2016            | 2020                   | Senior legal counsel, Sofina SA (Belgium)                                  | Sofina SA, rue de l'Industrie 31 - 1040 Brussels, Belgium   |
| HENRI JEAN VELGE  | 2016            | 2020                   | Director of companies  | Route Gouvernementale 75, 1150 Brussels, Belgium  |
| <b>Independent Directors</b>  |                 |                        |  |   |
| CELIA BAXTER  | 2016            | 2020                   | Director of companies  | Chiswich Staithe, Hartingdon Road 62, W4 3TP London, United Kingdom   |
| PAMELA KNAPP  | 2016            | 2020                   | Director of companies  | Fürstenallee 36, 5020 Salzburg, Austria   |
| COLIN SMITH   | 2018            | 2022                   | Independent director of, and advisor to, companies                         | Viclin Ltd, PKF Cooper Parry, Argosy Road, Castle Donington, DE74 2SA, Derby, United Kingdom                        |
| MEI YE  | 2014            | 2022                   | Independent director of, and   | McKinsey and Company, 168   |

<sup>1</sup> “Belgian Corporate Governance Code 2009” means the 2009 Belgian Corporate Governance Code of 12 March 2009 promulgated by virtue of the Belgian Royal Decree of 6 June 2010 designating the Corporate Governance Code to be respected by listed companies, replacing the Belgian Corporate Governance Code of 2004.

| Name                                 | First appointed | Expiry of current term | Principal occupation* | Office address              |
|--------------------------------------|-----------------|------------------------|-----------------------|-----------------------------|
|                                      |                 |                        | advisor to, companies | Hubin Road, Shanghai, China |
| <b>JÜRGEN TINGGREN,<br/>CHAIRMAN</b> |                 |                        |                       |                             |

(\*) the detailed résumés of the Board members are available at [www.bekaert.com](http://www.bekaert.com).

The powers of the Board of Directors are described in Book VIII, Title IV, Chapter I, Section I, Subsection II of the Belgian Companies Code, Title III of the Articles of Association of the Issuer and Section II.1 of the Bekaert Corporate Governance Charter (available at [www.bekaert.com](http://www.bekaert.com)).

The Board of Directors holds a minimum of six meetings each year.

## 8.2 Executive Management: the Bekaert Group Executive

The Bekaert Group Executive (“**BGE**”) has the collective responsibility to deliver the long-term and short-term objectives of the Group.

As of 1 March 2019, Bekaert has implemented a new organisational structure consisting of four Business Units and four Global Functions, which is reflected in the composition of the Bekaert Group Executive.

The Bekaert Group Executive currently has nine members. It is chaired by the Chief Executive Officer (“**CEO**”) and further consists of eight other members, who are responsible for the Business Units and the Global Functions.

| Name                       | Position                                  | Appointed | Office address  |
|----------------------------|---|-----------|---|
| <b>MATTHEW TAYLOR</b>      | Chief Executive Officer                   | 2013      | Bekaertstraat 2, 8550 Zwevegem, Belgium   |
| <b>TAOUFIQ BOUSSAID</b>    | Chief Financial Officer                   | 2019      | Bekaertstraat 2, 8550 Zwevegem, Belgium   |
| <b>JUAN CARLOS ALONSO</b>  | Chief Strategy Officer                    | 2019      | Bekaertstraat 2, 8550 Zwevegem, Belgium   |
| <b>RAJITA D'SOUZA</b>      | Chief Human Resources Officer             | 2017      | Bekaertstraat 2, 8500 Zwevegem, Belgium   |
| <i>TO BE APPOINTED*</i>    | Chief Operations Officer                  |           |   |
| <b>ARNAUD LESSCHAEVE</b>   | Divisional CEO Rubber Reinforcement       | 2019      | Bekaertstraat 2, 8550 Zwevegem, Belgium   |
| <b>STIJN VANNESTE</b>      | Divisional CEO Steel Wire Solutions       | 2016      | Bekaertstraat 2, 8550 Zwevegem, Belgium   |
| <b>JUN LIAO</b>            | Divisional CEO Specialty Businesses       | 2018      | Bekaert Management (Shanghai) Co., Ltd, Regional Headquarters Asia, 17/F, Block E, Waterfront Place, No 31, Lane 168, Daduhe Road, Shanghai 200062, China |
| <b>CURD VANDEKERCKHOVE</b> | Divisional CEO Bridon-Bekaert Ropes Group | 2012      | SkylinE40, Korte Keppestraat 23/02, 9320 Aalst, Belgium   |

(\*) Following Curd Vandekerckhove’s appointment as Divisional CEO of BBRG, the responsibilities of the Chief Operations Officer (COO) are taken up by the CEO, Matthew Taylor, until the appointment of a new COO.

Each member of the Bekaert Group Executive performs his/her occupation on a full time basis.

The powers of the Bekaert Group Executive are described in Part IV of the Bekaert Corporate Governance Charter (available at [www.bekaert.com](http://www.bekaert.com)).

### 8.3 Committees of the Board of Directors

The Board of Directors has established four advisory committees.

#### (a) *Audit and Finance Committee*

The Audit and Finance Committee is composed as required by Article 526bis, §2 of the Belgian Companies Code: all of its four members are non-executive Directors, and two members, Jürgen Tinggren and Pamela Knapp, are independent. Ms. Knapp's competence in accounting and auditing is demonstrated by her former position as Chief Financial Officer of the Power Transmission and Distribution Division of Siemens (from 2004 to 2009) and her position as Chief Financial Officer of GfK SA (from 2009 to 2014). The Committee members as a whole have competence relevant to the sector in which the Issuer is operating.

Contrary to provision 5.2/4 of Appendix C (*Audit committee*) of the Belgian Corporate Governance Code 2009, according to which at least a majority of the members should be independent, Bekaert takes the view that the Audit and Finance Committee should reflect the balanced composition of the full Board of Directors.

The Chief Executive Officer and the Chief Financial Officer are not members of the Committee, but are invited to attend its meetings. This arrangement guarantees the essential interaction between the Board of Directors and executive management.

| <u>Name</u>                      | <u>Expiry of current board term</u> |
|----------------------------------|-------------------------------------|
| Hubert Jacobs van Merlen (Chair) | 2022                                |
| Jürgen Tinggren                  | 2023                                |
| Pamela Knapp                     | 2020                                |
| Charles de Liedekerke            | 2022                                |

The powers of the Audit and Finance Committee are described in Article 526bis, §4 of the Belgian Companies Code, Article 20bis of the Articles of Association of the Issuer and Section III.2.1 of the Bekaert Corporate Governance Charter (available at [www.bekaert.com](http://www.bekaert.com)).

The Audit and Finance Committee meets at least four times a year.

#### (b) *Nomination and Remuneration Committee*

The Nomination and Remuneration Committee is composed as required by Article 526quater, §2 of the Belgian Companies Code: all of its three members are non-executive Directors. The Committee has the required competence in the field of remuneration policy as demonstrated by the relevant experience of its members.

The Chief Executive Officer is invited to attend the Committee meetings without being a member thereof.

| <u>Name</u>                  | <u>Expiry of current board term</u> |
|------------------------------|-------------------------------------|
| Jürgen Tinggren (Chair)      | 2023                                |
| Celia Baxter                 | 2020                                |
| Christophe Jacobs van Merlen | 2020                                |

The powers of the Nomination and Remuneration Committee are described in Article 20bis of the Articles of Association of the Issuer and Section III.3.1 of the Bekaert Corporate Governance Charter (available at [www.bekaert.com](http://www.bekaert.com)).

The Nomination and Remuneration Committee meets at least three times a year.

(c) ***Strategic Committee***

The Strategic Committee has two members.

| <b>Name</b>             | <b>Expiry of current board term</b> |
|-------------------------|-------------------------------------|
| Jürgen Tinggren (Chair) | 2023                                |
| Matthew Taylor          | 2022                                |

The powers of the Strategic Committee are described in Article 20bis of the Articles of Association of the Issuer and Section III.4.1 of the Bekaert Corporate Governance Charter (available at [www.bekaert.com](http://www.bekaert.com)).

The Strategic Committee meets at least three times a year.

(d) ***BBRG Committee***

In the course of 2018, the Issuer established an *ad hoc* additional advisory committee that focuses on BBRG, in accordance with Section II.5.2 of the Bekaert Corporate Governance Charter.

| <b>Name</b>           | <b>Expiry of current board term</b> |
|-----------------------|-------------------------------------|
| Grégory Dalle (Chair) | 2023                                |
| Matthew Taylor        | 2022                                |
| Colin Smith           | 2022                                |
| Henri Jean Velge      | 2020                                |

## **8.4 Corporate Governance**

The Issuer attaches great value to good corporate governance and is aware that good governance of listed companies is an important factor in investment decisions. Following the publication of the 2009 Belgian Code on Corporate Governance, the Board of Directors has, on 22 December 2009, adopted the 2009 Code as the reference code for the Issuer and revised the Bekaert Corporate Governance Charter for alignment with the 2009 Code. The Bekaert Corporate Governance Charter was further revised by the Board of Directors on 13 November 2014, on 28 July 2016 and updated on 28 February 2019.

The Issuer applies the corporate governance principles laid down in the Belgian Corporate Governance Code 2009. In addition, the Issuer complies with the corporate governance provisions of the Code, except as described in Section 8.3(a) above.

The Bekaert Corporate Governance Charter is available at [www.bekaert.com](http://www.bekaert.com).

## **8.5 Conflicts of Interests of the Administrative, Management and Supervisory Bodies**

In accordance with Article 523 of the Belgian Companies Code, a member of the Board of Directors must give the other members prior notice of any agenda items in respect of which he or she has a direct or indirect conflict of interests of a financial nature with the Issuer, and must refrain from participating in the discussion of and voting on those items. During the past five years, a number of such conflicts of interest have been reported in the annual report of the Issuer. These conflicts related to (i) the remuneration of the Chairman and/or the Chief Executive Officer and (ii) the entry into a civil director's liability indemnification obligation for a newly appointed director in accordance with paragraph II.7.2 of the Bekaert Corporate Governance Charter.

The Issuer is not aware of any other such conflicts of interest or any potential conflicts of interests.

The Bekaert Corporate Governance Charter further contains conduct guidelines with respect to direct and indirect conflicts of interests of the members of Board of Directors and of the Bekaert Group Executive that fall outside the scope of Article 523 of the Belgian Companies Code. Those members are deemed to be related parties to the Issuer, and have to report on an annual basis their direct or indirect transactions with the Issuer or its Subsidiaries. These guidelines apply, for instance, to members holding, directly or indirectly, a significant interest in the share capital of the Issuer, and to members performing activities outside of the Issuer for persons that may have adverse interests from the Issuer. For purposes of the conduct guidelines, those members have to report on an annual basis any material direct or indirect transactions they have with the Issuer or its Subsidiaries. The Issuer is not aware of any such potential conflict of interest between the duties that any member of the Board of Directors or of the Bekaert Group Executive owes to the Issuer and such member's private interests or other duties.

## 8.6 Upcoming legislation

As of 1 January 2020, the 2019 Belgian Companies and Associations Code and the 2020 Corporate Governance Code will enter into force in respect to the Issuer. The Issuer has decided not to early apply ("opt-in") the provisions of the 2019 Belgian Companies and Associations Code and the 2020 Corporate Governance Code and will, therefore, until 31 December 2019 remain subject to the provisions of the 1999 Belgian Companies Code and the 2009 Code, respectively.

The Issuer expects to align its Articles of Associations with the 2019 Belgian Companies and Associations Code and the Bekaert Corporate Governance Code with the 2020 Corporate Governance Code, respectively, in the first half of 2020, most likely at the occasion of its Annual General Meeting of Shareholders on 13 May 2020.

The Issuer is currently reviewing the impact of the 2019 Companies and Associations Code and the 2020 Corporate Governance Code, but has not made a final decision as to what it will propose to its shareholders. At this stage it is therefore impossible to assess the impact of this upcoming legislation on the Issuer.

## 9. MAJOR SHAREHOLDERS

### 9.1 Major Shareholders

Based on the notifications made under the Belgian Law of 2 May 2007 regarding the disclosure of major holdings and the Issuer's Articles of Association (which include two additional disclosure thresholds at 3 per cent. and 7.50 per cent.) and additional information received by the Issuer, the present major shareholders of the Issuer are, as of the date of the Prospectus:

| Shareholder                            | Number of shares | Percentage of total number of shares |
|--|------------------|--------------------------------------|
| Stichting Administratiekantoor Bekaert | 20,709,721       | 34.28 per cent.                      |
| NV Bekaert SA (Treasury Shares)        | 3,888,245        | 6.44 per cent.                       |

Stichting Administratiekantoor Bekaert (which is not controlled) ("**STAK Bekaert**") de facto controls the Issuer. Seven out of thirteen members of the Board of Directors have been appointed upon the nomination of STAK Bekaert.

On 8 December 2007, Stichting Administratiekantoor Bekaert disclosed in accordance with Article 74 of the Belgian Law of 1 April 2007 on public takeover bids that it was individually holding more than 30 per cent. of the securities with voting rights of Bekaert on 1 September 2007.

While the Issuer has not put in place any formal measures specifically addressed at ensuring that its controlling shareholder is not abusing its control, it strictly complies with all applicable rules protecting

minority shareholders. In addition, five of its directors are independent (including its Chairman) and on each Board Committee there sits at least one independent director.

## 9.2 Change of Control

In accordance with Article 11 of the Issuer's Articles of Association, an acquisition of shares of the Issuer or of instruments entitling the holder to the acquisition of, the subscription for or the conversion into shares of the Issuer (collectively referred to hereinafter as securities), that leads to a change of control of the Issuer, is subject to the prior approval of the Board of Directors of the Issuer, which approval has to be requested in writing. If the Board of Directors indicates that it intends to refuse its approval or that it reserves the right to refuse its approval, it will have to propose to the candidate-transferor, within thirty days from receipt of the request for approval, that the securities be acquired by one or more persons who do hold such approval, at a price that is at least equal to the price at which the candidate-transferee can acquire those securities of the candidate-transferor. If the possible change of control results from a public take-over bid, the Board of Directors will have a period until five full business days after the date of the conclusion of the bid in which to formulate a proposal as aforesaid. The rights attaching to the securities acquired in violation of this approval clause will automatically be suspended and remain suspended for as long as the aforesaid procedure shall not have been complied with. Should the case arise, the transferee of the securities will then be obliged to transfer the securities referred to in this approval clause to the persons designated by the Board of Directors at the price at which it has acquired the securities.

## 10. CAPITAL MANAGEMENT

### 10.1 Long term financing arrangements of the Issuer

#### (a) Overview

The Issuer has entered into a number of financing arrangements in order to diversify its financing sources. The tables below provide a general overview of the current long term financings of the Issuer.

#### *Capital Markets financings*

|                             | <i>Dates</i>      |                      | <i>Amount Outstanding</i> |
|-----------------------------|-------------------|----------------------|---------------------------|
|                             | <i>Issue Date</i> | <i>Maturity Date</i> | <i>in million Euro</i>    |
| <b>Retail Bond</b>          | 6-Dec-2011        | 6-Dec-2019           | 195.0                     |
| <b>Retail Bond</b>          | 17-Oct- 2013      | 17-Oct-2020          | 45.6                      |
| <b>Convertible Bond</b>     | 9-Jun-2016        | 9-Jun-2021           | 380.0 <sup>2</sup>        |
| <b>Schuldscheindarlehen</b> | 17 –Jun-2019      | 13 –Jun-2023         | 189.0                     |
|                             |                   | 13 –Jun-2025         | 110.5                     |
|                             |                   | 14 –Jun-2027         | 21.0                      |
| <b>Total</b>                |                   |                      | <b>941.1</b>              |

#### *Long Term Bank financing*

|                                      | <i>Dates</i>      |                      | <i>Amount Outstanding</i> |
|--------------------------------------|-------------------|----------------------|---------------------------|
|                                      | <i>Start Year</i> | <i>Maturity Date</i> | <i>in million Euro</i>    |
| <b>Loan European Investment Bank</b> |                   | 8-Apr-2020           | 30.0                      |
|                                      | 2015              | 22-Jul-2020          | 45.0                      |
| <b>Bridge Loan</b>                   | 2018              | 12-Oct-2020          | 89.5                      |
| <b>Term Loan 1</b>                   | 2017              | 25-Jul-2025          | 50.0                      |

<sup>2</sup> Nominal value of the Convertible Bond. The IFRS value (taking into account the value of the embedded option), is EUR 359 million.

|                    |      |             |              |
|--------------------|------|-------------|--------------|
| <i>Term Loan 2</i> | 2017 | 31-Aug-2024 | 25.0         |
| <i>Term Loan 3</i> | 2017 | 3-Nov-2024  | 50.0         |
| <i>Total</i>       |      |             | <b>289.5</b> |

### *Retail Bonds*

The Issuer has issued several retail bonds, which are still outstanding:

- On 6 December 2011, it issued 5 per cent. fixed rate bonds (listed on the regulated market of the Luxembourg Stock Exchange) for an aggregate amount of EUR 195,000,000, which will become due on 6 December 2019 (the “**2011 Bonds**”). The Issuer intends to partially repay the 2011 Bonds with part of the proceeds of this Public Offering, as further described in this section and in Part 7 (*Use of proceeds*). It is intended that the remaining amount will be paid with available cash of the Group.
- On 17 October 2013, it issued 4.75 per cent. fixed rate bonds (listed on the regulated market of Euronext Brussels) for an aggregate amount of EUR 45,600,000, which will become due on 17 October 2020.

### *Convertible Bonds*

On 9 June 2016, the Issuer issued senior unsecured convertible bonds due 9 June 2021 that carry a zero-coupon for an aggregate amount of EUR 380,000,000. Their current conversion price is EUR 50.71 and they are traded on the Open Market of the Frankfurt Stock Exchange. On the date of this Prospectus none of the convertible bonds have been converted.

### *Schuldscheindarlehen*

On 17 June 2019, the Issuer completed a Schuldscheindarlehen private placement (the “**Schuldschein Issue**”) for an aggregate amount of EUR 320,500,000, the proceeds of which were partially used to repay the Bridge Loan. The Schuldschein instruments have maturities of 4, 6 and 8 years and have fixed and variable interest rates with an average interest margin of approximately 1.5 per cent.

### *Term Loans*

The Issuer was granted in 2017 three term loans by financial institutions for an aggregate amount of EUR 125,000,000, of which EUR 25,000,000 will become due and payable on 31 August 2024, EUR 50,000,000 on 3 November 2024 and EUR 50,000,000 on 25 July 2025.

### *Loan with the European Investment Bank*

On 9 March 2015, the Issuer was granted a loan-facility by the European Investment Bank for an aggregate amount of EUR 75,000,000. A loan of EUR 30,000,000 under this facility matures on 8 April 2020 and a loan of EUR 45,000,000 matures on 22 July 2020.

### *Bridge Loan*

On 15 October 2018, the Issuer completed, in the context of the acquisition of the remaining 33 per cent. of the Bridon Bekaert Ropes Group (“**BBRG**”), the refinancing of BBRG’s outstanding debt for an amount of EUR 294,000,000, by entering into a covenant-free bridge loan with a syndicate of banks (which comprise the Joint Lead Managers) (the “**Bridge Loan**”). BBRG’s indebtedness had been consolidated in Issuer’s consolidated statements since its establishment. The refinancing resulted in the release of all related security interests granted and the elimination of BBRG’s ring-fenced debt structure (with the Issuer being the borrower under the Bridge Loan).

In June 2019, an amount of EUR 320,500,000 was repaid under the Bridge Loan with the proceeds of the Schuldschein Issue and there is currently still an amount of EUR 89,500,000 outstanding. In addition, there is an amount of EUR 40,000,000 of undrawn facilities available.

Under the terms of the Bridge Loan, any proceeds of a debt capital markets issue made (including but not limited to Schuldscheindarlehen and retail bonds) or any drawn credit facility with a maturity period of at least two years and for a minimum principal amount of EUR 75,000,000, arranged after the date of the Bridge Loan should be applied to prepay the then outstanding amount under the Bridge Loan. As such, the proceeds of this Public Offering will in first instance be used to repay the balance of this Bridge Loan (i.e., EUR 89,500,000)

(b) **Key terms**

All the above long term finance instruments are unsecured and free of any financial covenants. Their denomination is in euro. The issue of the Bonds will not lead to a breach of any obligation under any of the above financing arrangements.

All retail bonds, term loans and the European Investment Bank loan are at fixed interest rates. The convertible bond has a zero coupon.

The Schuldscheindarlehen are at combination of fixed and floating interest. The floating interest is almost fully hedged. The average (hedged) interest rate is 1.5 per cent.

The interest rate of the Bridge Loan is a floating interest rate, plus an increasing margin over time.

The current average interest rate on the above long-term bank loans is 0.9 per cent.

## **10.2 Other financing instruments of the Issuer**

Besides the long term finance instruments, the Issuer had as at 30 June 2019:

- a short term working capital bank debt of EUR 15,000,000, drawn under the Issuer's uncommitted facilities;
- undrawn long term committed facilities for an amount of EUR 100,000,000;
- an amount of EUR 40,000,000 available under the Bridge Loan; and
- undrawn uncommitted short term notes (commercial paper program) for an amount of EUR 124,000,000.

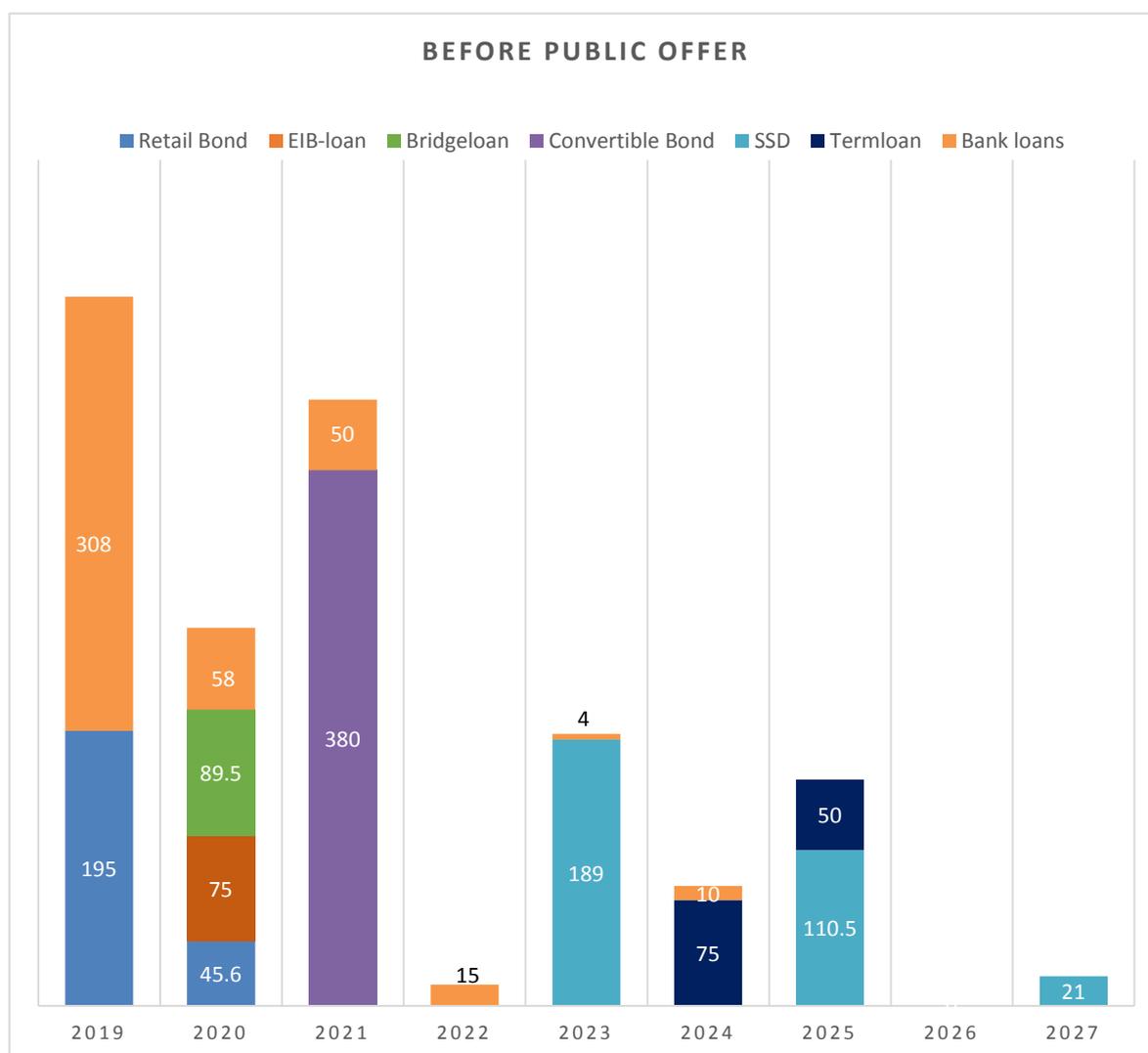
## **10.3 Other financing arrangements and cash position of the Group**

- The Group had about EUR 486,000,000 of financial assets that are deducted from the gross interest-bearing debt to come to the Group's Net Debt (see Part 7, Section 11.2 for the definition of Net Debt) as at 30 June 2019 (consisting of EUR 419,000,000 in cash and cash equivalents (under IFRS); EUR 50,000,000 in short term deposits, EUR 10,000,000 in cash guarantees ("Other Non-Current and Current Assets") and EUR 7,000,000 in financial receivables ("Other Non-Current and Current Assets").
- The Issuer's Subsidiaries have about EUR 515,000,000 of bank debt. Apart from EUR 85,000,000 IFRS-16 debt (leasing), this bank debt is mainly short term working capital financing and it is denominated in, or hedged against, the local currency of the borrowing entity.
- The bank debt of the Subsidiaries is, subject to a limited number of non-material exceptions, free of financial covenants.

- No material indebtedness of the Issuer’s Subsidiaries is secured by any security interests.
- Bank debt borrowed by foreign Subsidiaries is sometimes secured by a corporate guarantee of the Issuer. As of 31 August 2019, corporate guarantees for a total amount of approximately EUR 180,331,656 have been granted by the Issuer to secure bank debt of foreign Subsidiaries.

#### 10.4 Maturity profile

The maturity profile of the Group’s debt per 30 June 2019 is as follows:



*The debt identified in orange above mainly consists of working capital facilities of the Issuer and its Subsidiaries. The debt is expressed in its nominal value and does not take into account IFRS-16 leasing.*

#### 10.5 Debt management policy

In order to guarantee the financial stability of the Group over time and under different circumstances on the financial markets, the Issuer manages its debt in a conservative way. More specifically, Bekaert upholds three “guiding principles” to structure its debt by using the following key-metric ratios:

1. Net debt / underlying EBITDA < 2;
2. Gearing (*i.e.* Net debt / equity) < 50%; and

3. Financial autonomy (*i.e.* Equity/Total Assets) > 40%.

Besides these guiding principles, the Issuer aims at securing its liquidity position by structuring the debt in such a way that the repayment schedule is well spread and that the portion of fixed longer term debt is relatively high.

Over the last five years, the key-metrics have evolved as follows:

|                | <i>Net Debt<br/>(Million,<br/>Euro)</i> | <i>Net Debt/Ebitda-U</i> | <i>Gearing</i> | <i>Financial<br/>Autonomy</i> |
|----------------|---|--------------------------|----------------|-------------------------------|
| <b>2014</b>    | 853                                     | 2.5                      | 54%            | 40%                           |
| <b>2015</b>    | 837                                     | 1.9                      | 55%            | 39%                           |
| <b>2016</b>    | 1,068                                   | 2.2                      | 67%            | 37%                           |
| <b>2017</b>    | 1,151                                   | 2.3                      | 73%            | 36%                           |
| <b>H1-2018</b> | 1,339                                   | 3.1                      | 87%            | 34%                           |
| <b>2018</b>    | 1,153                                   | 2.7                      | 76%            | 34%                           |
| <b>H1-2019</b> | 1,253                                   | 2.6                      | 81%            | 35%                           |

Traditionally, due to seasonality, the working capital and hence net debt peak in mid-season. Therefore, the figures of H1 2019 should be compared with those of H1 2018, rather than with those of the full year 2018.

Compared with 30 June 2018, the net debt per 30 June 2019 decreased with EUR 86 million to EUR 1,253 million, despite the increasing impact of changed IFRS-16 (leasing) rules with EUR 85 million.

The increase in the net debt over the last five years was to a large extent the result of the acquisitions (in particular the Pirelli Rubber Reinforcement entities in 2014 and the formation of the Bridon-Bekaert Ropes Group in 2016) and the working capital growth (following the sales increase) in this period.

Bekaert is putting in place cash generating actions which aim at significantly reducing the net debt/underlying EBITDA leverage. These cash generating actions include the implementation of business plans to turn around the profitability of weaker performing businesses or to cease operations, a strict control on capital expenditure, as well as actions to reduce the working capital (such as extension of supplier payment terms, reduction of stocks and faster collection of accounts receivables).

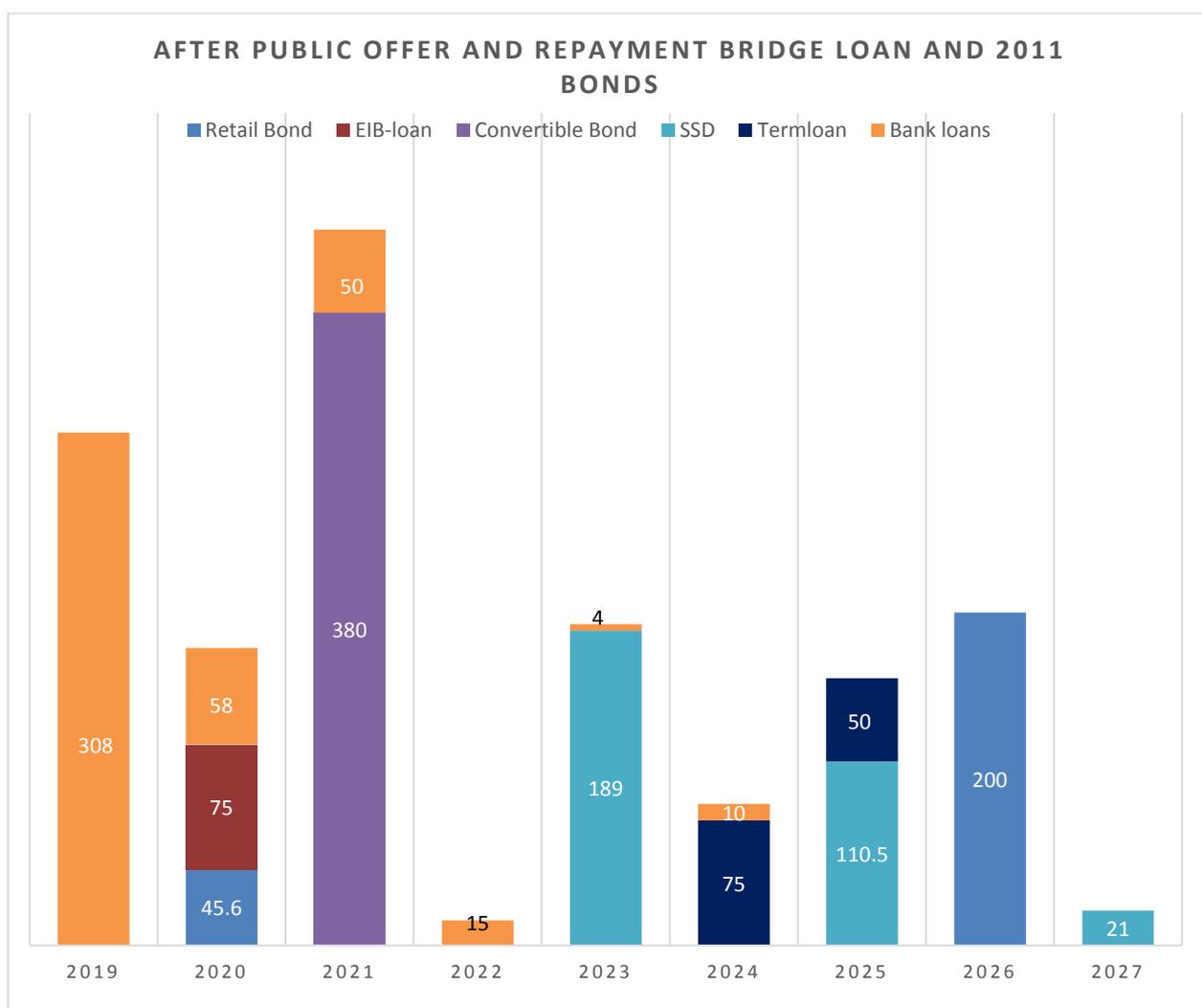
### **10.6 Effect of the Bond issue on the indebtedness**

With the offering of the Bond, the Issuer intends to raise EUR 200,000,000. The proceeds will be used in first instance to repay the outstanding amount of the Bridge Loan (for an amount of EUR 89,500,000). The balance (for an expected amount of EUR 110,500,000) will be used to repay part of the outstanding amount under the 2011 Bond of EUR 195,000,000 maturing at 6 December 2019.

The further balance of the 2011 Bond (for an expected amount of EUR 84,500,000) will be repaid by the cash available within the Group.

Hence the issuance of the Bonds will have no effect on the net debt of the Group.

With this Public Offering, the Issuer aims to achieve an optimal global balance between short-term and long-term debt, as well as between bank financing and financing through the capital markets. If the proceeds of the Bond amount to EUR 200,000,000, and after the repayment of the Bridge Loan and the 2011 Bonds (which will be partially repaid with the proceeds of the Bonds, and any balance, by cash), 59 per cent. of the aggregate indebtedness of the Group will be raised from the capital markets and 41 per cent. will be bank financed. This would lead to the following maturity profile:



## 11. ALTERNATIVE PERFORMANCE MEASURES

### 11.1 Key figures

The below metrics, which are consistently used to analyse the financial performance of the Group, are considered as Alternative Performance Measures (“APMs”) as defined in the European Securities and Markets Authority’s Guidelines on Alternative Performance Measures.

The Issuer uses these key APMs in addition to the figures that are prepared in accordance with the International Financial Reporting Standards (“IFRS”). It believes the presentation of these key APMs enhances the understanding of its financial performance. The APMs should be viewed as complementary to, rather than substitute for, the figures determined according to IFRS.

| <b>Consolidated key figures</b> | <b>FY2018</b> | <b>FY2017</b> | <b>1H 2019</b> | <b>1H 2018</b> |
|---------------------------------|---------------|---------------|----------------|----------------|
| <i>in millions of EUR</i>       |               |               |                |                |
| EBIT-underlying                 | 210           | 301           | 126            | 111            |
| EBITDA-underlying               | 426           | 497           | 239            | 214            |
| Net debt                        | 1,153         | 1,151         | 1,253          | 1,339          |
| Capital employed                | 2,598         | 2,664         | 2,718          | 2,791          |
| EBITDA on sales                 | 9.0%          | 12.4%         | 10.2%          | 9.5%           |

|                               |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|
| Underlying EBITDA on sales    | 9.9%  | 12.1% | 10.8% | 9.9%  |
| EBIT on sales                 | 3.4%  | 7.8%  | 5.2%  | 4.7%  |
| Underlying EBIT on sales      | 4.9%  | 7.3%  | 5.7%  | 5.1%  |
| EBIT interest coverage        | 1.8   | 4.0   | 3.6   | 2.4   |
| ROCE                          | 5.6%  | 11.8% | 8.5%  | 7.4%  |
| ROE                           | 0.2%  | 11.5% | 8.1%  | 5.7%  |
| Financial autonomy            | 34.1% | 35.6% | 34.6% | 33.9% |
| Gearing (net debt on equity)  | 76.0% | 72.7% | 81.0% | 86.8% |
| Net debt on EBITDA            | 3.0   | 2.3   | 2.8   | 3.3   |
| Net debt on underlying EBITDA | 2.7   | 2.3   | 2.6   | 3.1   |
| Current ratio                 | 1.2   | 1.6   | 1.5   | 1.5   |

In accordance with the guidelines of the European Securities and Markets Authority (“ESMA”), the following further information is given with regards to each of the APMs:

- Definition and reason for use; and
- Reconciliation to the most directly reconcilable line item, subtotals or total presented in the financial statements.

## 11.2 Definition and reason for use

| <i>Metric</i>             | <i>Definition</i>   | <i>Reason for use</i>  |
|---------------------------|---|--|
| “Capital employed (CE)”   | Working capital + net intangible assets + net goodwill + net property, plant and equipment + net RoU property, plant and equipment. The weighted average CE is weighted by the number of periods that an entity has contributed to the consolidated result.                             | Capital employed consists of the main balance sheet items that operating management can actively and effectively control to optimize its financial performance, and serves as the denominator of ROCE.               |
| “Combined figures”        | Sum of consolidated companies + 100% of joint ventures and associates after elimination of intercompany transactions (if any). Examples: sales, capital expenditure, number of employees.   | In addition to Consolidated figures, which only comprise controlled companies, combined figures provide useful insights of the actual size and performance of the Group including its joint ventures and associates. |
| “Current ratio”           | Current assets to current liabilities.  | This ratio provides a measure for the liquidity of the company. It measures whether a company has enough resources to meet its short-term obligations.   |
| “EBIT”                    | Operating result (earnings before interest and taxation).   | EBIT consists of the main income statement items that operating management can actively and effectively control to optimize its profitability, and a.o. serves as the numerator of ROCE and EBIT interest coverage.  |
| “EBIT – underlying (*)”   | EBIT before operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a material one-off effect that is not inherent to the business. | EBIT – underlying is presented to enhance the reader’s understanding of the operating profitability before one-off items, as it provides a better basis for comparison and extrapolation.                            |
| “EBITDA”                  | Operating result (EBIT) + depreciation, amortization and impairment of assets + negative goodwill.  | EBITDA provides a measure of operating profitability before non-cash effects of past investment decisions and working capital assets.  |
| “EBITDA – underlying (*)” | EBITDA before operating income and expenses that are related to restructuring programs, impairment  | EBITDA – underlying is presented to enhance the reader’s understanding of  |

|   |   |   |
|---|---|---|
|   | losses, business combinations, business disposals, environmental provisions or other events and transactions that have a material one-off effect that is not inherent to the business.    | the operating profitability before one-off items and non-cash effects of past investment decisions and working capital assets, as it provides a better basis for comparison and extrapolation.  |
| <b>“EBIT interest coverage”</b>             | Operating result (EBIT) divided by net interest expense.  | The EBIT interest coverage provides a measure of the Group’s capability to service its debt through its operating profitability.  |
| <b>“Financial autonomy (Capital ratio)”</b> | Equity relative to total assets.  | This ratio provides a measure of the extent to which the Group is equity-financed.  |
| <b>“Gearing”</b>                            | Net debt relative to equity.  | Gearing is a measure of the Group's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.  |
| <b>“Margin on sales”</b>                    | EBIT, EBIT-underlying, EBITDA and EBITDA-underlying on sales.   | Each of these ratio’s provides a specific measure of operating profitability expressed as a percentage on sales.  |
| <b>“Net debt”</b>                           | Interest-bearing debt net of current loans, non-current financial receivables and cash guarantees, short-term deposits, cash and cash equivalents.  | Net debt is a measure of debt after deduction of financial assets that can be deployed to repay the gross debt.   |
| <b>“Net debt on EBITDA”</b>                 | Net debt divided by EBITDA.   | Net debt on EBITDA provides a measure of the Group’s capability (expressed as a number of years) to repay its debt through its operating profitability before non-cash effects of past investment decisions.                              |
| <b>“Net debt on underlying EBITDA”</b>      | Net debt divided by EBITDA - underlying.  | Net debt on underlying EBITDA provides a measure of the Group’s capability (expressed as a number of years) to repay its debt through its operating profitability before one-off items and non-cash effects of past investment decisions. |
| <b>“Return on capital employed (ROCE)”</b>  | Operating result (EBIT) relative to the weighted average capital employed.  | ROCE provides a measure of the Group’s operating profitability relative to the capital resources deployed and managed by operating management.  |
| <b>“Return on equity (ROE)”</b>             | Result for the period relative to average equity.   | ROE provides a measure of the Group’s net profitability relative to the capital resources provided by its shareholders.   |
| <b>“Working capital (operating)”</b>        | Inventories + trade receivables + bills of exchange received + advanced paid - trade payables - advances received - remuneration and social security payables - employment-related taxes. | Working capital includes all current assets and liabilities that operating management can actively and effectively control to optimize its financial performance. It represents the current component of capital employed.                |

**(\*) Underlying performance measures**

Restructuring programs mainly include lay-off costs, gains and losses on disposal, and impairment losses of assets involved in a shut-down, major reorganization or relocation of operations. When not related to restructuring programs, only impairment losses resulting either from testing cash-generating units qualify as one-off effects. One-off effects from business combinations mainly include: acquisition-related expenses, negative goodwill, gains and losses on step

acquisition, and recycling of CTA on the interest previously held. One-off effects from business disposals include gains and losses on the sale of businesses that do not qualify as discontinued operations. These disposed businesses may consist of integral, or parts (disposal groups) of, subsidiaries, joint ventures and associates. Besides environmental provisions, other events or transactions that are not inherent to the business and have a one-off effect mainly include disaster and sales of investment property.

### 11.3 Reconciliation

| <i>in millions of EUR</i>   | <i>FY2018</i> | <i>FY2017</i> | <i>1H 2019</i> | <i>1H 2018</i> |
|---|---------------|---------------|----------------|----------------|
| <b>Net debt</b>   |               |               |                |                |
| Non-current interest-bearing debt                                     | 687           | 1,180         | 1,008          | 1,178          |
| L/T Lease Liability - non-current                                     |               |               | 66             |                |
| Current interest-bearing debt   | 942           | 454           | 646            | 527            |
| L/T Lease Liability - current   |               |               | 19             |                |
| <b>Total financial debt</b>   | <b>1,629</b>  | <b>1,635</b>  | <b>1,738</b>   | <b>1,705</b>   |
| Non-current financial receivables and cash guarantees                 | (7)           | (6)           | (6)            | (6)            |
| Current loans   | (20)          | (8)           | (10)           | (25)           |
| Short-term deposits   | (50)          | (50)          | (50)           | (51)           |
| Cash and cash equivalents   | (398)         | (419)         | (419)          | (285)          |
| <b>Net debt</b>   | <b>1,153</b>  | <b>1,151</b>  | <b>1,253</b>   | <b>1,339</b>   |
| <b>Capital employed</b>   |               |               |                |                |
| Intangible assets   | 115           | 125           | 112            | 119            |
| Goodwill  | 149           | 150           | 149            | 150            |
| Property, plant and equipment   | 1,460         | 1,501         | 1,416          | 1,491          |
| RoU Property plant and equipment                                      | -             | -             | 86             | -              |
| Working capital (operating)   | 875           | 888           | 956            | 1,031          |
| <b>Capital employed</b>   | <b>2,598</b>  | <b>2,664</b>  | <b>2,718</b>   | <b>2,792</b>   |
| <b>Weighted average capital employed</b>                              | <b>2,632</b>  | <b>2,695</b>  | <b>1,349</b>   | <b>1,368</b>   |
| <b>Working capital (operating)</b>                                    |               |               |                |                |
| Inventories   | 932           | 780           | 914            | 904            |
| Trade receivables   | 773           | 837           | 787            | 923            |
| Bills of exchange received  | 58            | 56            | 48             | 68             |
| Advances paid   | 20            | 18            | 16             | 20             |
| Trade payables  | (778)         | (665)         | (672)          | (754)          |
| Advances received   | (11)          | (11)          | (16)           | (10)           |
| Remuneration and social security payables                             | (112)         | (120)         | (115)          | (114)          |
| Employment-related taxes  | (6)           | (6)           | (5)            | (6)            |
| <b>Working capital (operating)</b>                                    | <b>875</b>    | <b>888</b>    | <b>956</b>     | <b>1,031</b>   |
| <b>EBIT-underlying</b>  |               |               |                |                |
| EBIT  | 146.9         | 318.1         | 114.6          | 100.9          |
| Total restructuring programs  | (62.5)        | (10.0)        | (10.8)         | (9.9)          |
| Total other impairment losses/(reversals)                             | (0.5)         | 3.3           | 2.3            | -              |
| Total business disposals  | 1.2           | 25.8          | -              | -              |
| Total environmental provisions/(reversals)                            | 1.4           | 1.9           | -              | 0.3            |
| Total other events and transactions                                   | (2.8)         | (4.0)         | (3.0)          | (0.2)          |
| <b>EBIT-Underlying</b>  | <b>210.1</b>  | <b>301.1</b>  | <b>126.1</b>   | <b>110.7</b>   |
| <b>EBITDA</b>   |               |               |                |                |
| <b>EBIT</b>   | <b>147</b>    | <b>318</b>    | <b>115</b>     | <b>101</b>     |
| Amortization intangible assets  | 10            | 12            | 6              | 4              |
| Depreciation property, plant & equipment                              | 197           | 192           | 107            | 98             |
| Write-downs/(reversals of write-downs) on inventories and receivables | 11            | (9)           | (0)            | 3              |

| <i>in millions of EUR</i>   | <b>FY2018</b> | <b>FY2017</b> | <b>1H 2019</b> | <b>1H 2018</b> |
|---|---------------|---------------|----------------|----------------|
| Impairment losses/ (reversals of impairment losses) on fixed assets   | 22            | (3)           | (1)            | (2)            |
| <b>EBITDA</b>   | <b>387</b>    | <b>510</b>    | <b>226</b>     | <b>204</b>     |
| <b>EBITDA-underlying</b>  |               |               |                |                |
| <b>EBIT - Underlying</b>  | <b>210</b>    | <b>301</b>    | <b>126</b>     | <b>111</b>     |
| Amortization intangible assets  | 10            | 12            | 6              | 4              |
| Depreciation property, plant & equipment                              | 197           | 192           | 107            | 98             |
| Write-downs/(reversals of write-downs) on inventories and receivables | 7             | (8)           | 0              | 1              |
| Impairment losses/ (reversals of impairment losses) on fixed assets   | 2             | (0)           | -              | -              |
| <b>EBITDA - underlying</b>  | <b>426</b>    | <b>497</b>    | <b>239</b>     | <b>214</b>     |
| <b>ROCE</b>   |               |               |                |                |
| EBIT  | 147           | 318           | 115            | 101            |
| Weighted average capital employed                                     | 2,632         | 2,695         | 1,349          | 1,368          |
| <b>ROCE</b>   | <b>5.6%</b>   | <b>11.8%</b>  | <b>8.5%</b>    | <b>7.4%</b>    |
| <b>EBIT interest coverage</b>   |               |               |                |                |
| EBIT  | 147           | 318           | 115            | 101            |
| (Interest income)   | (3)           | (3)           | (1)            | (0)            |
| Interest expense  | 88            | 90            | 35             | 45             |
| (interest element of discounted provisions)                           | (4)           | (7)           | (2)            | (2)            |
| Net interest expense  | 81            | 80            | 31             | 43             |
| <b>EBIT interest coverage</b>   | <b>1.8</b>    | <b>4.0</b>    | <b>3.6</b>     | <b>2.4</b>     |
| <b>ROE (return on equity)</b>   |               |               |                |                |
| Result for the period   | 3             | 183           | 62             | 45             |
| Average equity (period-weighted)                                      | 1,550         | 1,591         | 766            | 781            |
| <b>ROE</b>  | <b>0.2%</b>   | <b>11.5%</b>  | <b>8.1%</b>    | <b>5.7%</b>    |
| <b>Capital ratio (Financial autonomy)</b>                             |               |               |                |                |
| Equity  | 1,516         | 1,583         | 1,547          | 1,543          |
| Total assets  | 4,449         | 4,445         | 4,470          | 4,545          |
| <b>Financial autonomy</b>   | <b>34.1%</b>  | <b>35.6%</b>  | <b>34.6%</b>   | <b>33.9%</b>   |
| <b>Gearing</b>  |               |               |                |                |
| Net debt  | 1,153         | 1,151         | 1,253          | 1,339          |
| Equity  | 1,516         | 1,583         | 1,547          | 1,543          |
| <b>Gearing (net debt on equity)</b>                                   | <b>76.0%</b>  | <b>72.7%</b>  | <b>81.0%</b>   | <b>86.8%</b>   |
| <b>Net debt on EBITDA</b>   |               |               |                |                |
| Net debt (period-weighted)  | 1,153         | 1,151         | 627            | 669            |
| EBITDA  | 387           | 510           | 226            | 204            |
| <b>Net debt on EBITDA</b>   | <b>3.0</b>    | <b>2.3</b>    | <b>2.8</b>     | <b>3.3</b>     |
| <b>Net debt on EBITDA- underlying</b>                                 |               |               |                |                |
| Net debt (period-weighted)  | 1,153         | 1,151         | 627            | 669            |
| EBITDA - underlying   | 426           | 497           | 239            | 214            |
| <b>Net debt on underlying EBITDA</b>                                  | <b>2.7</b>    | <b>2.3</b>    | <b>2.6</b>     | <b>3.1</b>     |
| <b>Current ratio</b>  |               |               |                |                |
| Current assets  | 2,400         | 2,321         | 2,375          | 2,442          |
| Current liabilities   | 2,027         | 1,413         | 1,631          | 1,588          |
| <b>Current ratio</b>  | <b>1.2</b>    | <b>1.6</b>    | <b>1.5</b>     | <b>1.5</b>     |

## 11.4 Other definitions

To enhance the reader's understanding, brief definitions of following IFRS concepts are added below:

| <i>IFRS concept</i> | <i>Definition</i>   |
|---------------------|---|
| “Associates”        | Companies other than Subsidiaries and Joint ventures in which the Issuer has a significant influence, generally reflected by an interest of at least 20%. Associates are accounted for using the equity method.   |
| “Equity method”     | Method of accounting whereby an investment (in a joint venture or an associate) is initially recognized at cost and subsequently adjusted for any changes in the investor's share of the joint venture's or associate's net assets (i.e. equity). The income statement reflects the investor's share in the net result of the investee. |
| “Joint ventures”    | Companies under joint control in which the Issuer generally has an interest of approximately 50%. Joint ventures are accounted for using the equity method.   |
| “Subsidiaries”      | Companies in which the Issuer exercises control and generally has an interest of more than 50%.   |

## 12. LEGAL AND ARBITRATION PROCEEDINGS

Neither the Issuer nor any of its Subsidiaries is, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus that may have or have had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

## 13. REGULATORY DISCLOSURES

Below is set forth a summary of the disclosures made by the Issuer under Regulation (EU) 596/2014 over the last 12 months, which are relevant as at the date of the Prospectus.

| <i>Date (and hyperlink)</i>   | <i>Topic</i>                                 | <i>Description</i>  |
|---|--|---|
| <a href="#">15 October 2018</a>   | <b>BBRG Refinancing</b>                      | The Issuer announced the completion of the refinancing of the outstanding debt incurred by BBRG through an unsecured covenant-free bridge loan with a syndicate of banks (which comprise the Joint Lead Managers) for a maximum maturity of two years and significantly lower interest charges. As a result of the refinancing, an amount of EUR 294,000,000 was repaid to BBRG's lenders' syndicate and all security interests were released. The refinancing reduced Bekaert's consolidated net debt with EUR 33,000,000. |
| <a href="#">1 March 2019</a><br>(Update on <a href="#">10 July 2019</a> ) | <b>Organisational and Leadership Changes</b> | <p>Bekaert announced changes in its organisational structure and executive leadership.</p> <p><i>Changes to the organizational structure</i></p> <p>A new organisational structure became effective, consisting of four Business Units and four Global Functional Domains.</p> <p>The four Business Units are:</p> <ul style="list-style-type: none"> <li>- <b>Rubber Reinforcement:</b> The business unit serving industries that use tire cord, bead wire, hose</li> </ul>  |

| <i>Date (and hyperlink)</i>   | <i>Topic</i>                                 | <i>Description</i>   |
|---|--|--|
|   |  | <p>reinforcement wire and conveyor belt reinforcement and is led by Mr. Arnaud Lesschaeve, Divisional CEO Rubber Reinforcement.</p> <ul style="list-style-type: none"> <li>- <b>Steel Wire Solutions:</b> This business unit serves industrial, agricultural, consumer and construction markets with a broad range of steel wire products and solutions and is led by Mr. Stijn Vanneste, Divisional CEO Steel Wire Solutions.</li> <li>- <b>Specialty Businesses:</b> This business unit includes building products, fiber technologies, combustion technology and sawing wire and is led by Mr. Jun Liao, Divisional CEO Specialty Businesses.</li> <li>- <b>Bridon-Bekaert Ropes Group (BBRG):</b> The BBRG business unit includes the ropes and advanced cords businesses and is led by Mr. Curd Vandekerckhove, Divisional CEO of BBRG (<u>UPDATED INFO</u>).</li> </ul> <p>The BGE members representing the four Global Functional Domains are the following:</p> <ul style="list-style-type: none"> <li>- Mr. Taoufiq Boussaid, <b>Chief Financial Officer</b> (<u>UPDATED INFO</u>).</li> <li>- Ms. Rajita D’Souza, <b>Chief Human Resources Officer</b>.</li> <li>- Mr. Juan Carlos Alonso, <b>Chief Strategy Officer</b> (<u>UPDATED INFO</u>).</li> <li>- Mr. Matthew Taylor, <b>Chief Executive Officer</b>, additionally takes on the responsibilities of the <b>Chief Operations Officer</b> until a new COO is appointed (<u>UPDATED INFO</u>).</li> </ul> <p><i>Changes to the Board of Directors</i></p> <p>The Issuer announced that Mr. Bert De Graeve (the previous Chairman of the Board), Mr. Leon Bekaert and Mr. Maxime Jadot, whose term of office expired at the Annual General Meeting of Shareholders of 8 May 2019, did not seek re-election and that Ms. Martina Merz would resign from the Board on 8 May 2019.</p> <p>It was further announced that the Board had nominated Mr. Jürgen Tinggren as independent Director and Chairman and Ms. Caroline Storme as Director.</p> <p>After the date of the press release, the Annual General Meeting of 8 May 2019 confirmed the above appointments.</p> |
| <p><a href="#">28 March 2019</a><br/>(Update on <a href="#">1 October 2019</a>)</p> | <p><b>Restructuring plans in Belgium</b></p> | <p>On 28 March 2019 Bekaert announced the following restructuring plans:</p> <ul style="list-style-type: none"> <li>- the move of (i) the production related standard test</li> </ul>  |

| <i>Date (and hyperlink)</i> | <i>Topic</i> | <i>Description</i>   |
|-----------------------------|--------------|--|
|                             |              | <p>lab activities to production plants that have a global service role; (ii) the spare parts activities to Slovakia, close to the Group's main production plants in Central Europe; and (iii) certain pilot line developments to the relevant 'key learning plants';</p> <ul style="list-style-type: none"> <li>- the closure of Bekaert's Dramix® plant in Moen, Belgium and plans to further upscale the production capacity of the Dramix® plants in Petrovice, Czech Republic and in Lonand, India; and</li> <li>- the reduction of certain activities and better alignment with the business needs and the new organisational structure of the Group, including the downsizing of administrative and other support roles by better leveraging the potential of standardization, centralization, outsourcing and relocation.</li> </ul> <p>The restructuring will affect approximately 200 employees in Belgium. The final number of jobs affected is subject to the number of invited affected employees who will accept an internal move to an open vacancy and the number of employees who will accept an early retirement offer.</p> |

#### **14. MATERIAL CONTRACTS**

There are no material contracts that have not been entered into in the ordinary course of the Issuer's business and that could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Bondholders in respect of the Bonds.

## PART 8 USE OF PROCEEDS

The proceeds of the Bonds, which are expected to amount to EUR 200,000,000 (before deduction of the costs, fees and charges related to the Bonds, see “*Subscription and sale—Costs, Fees and Charges*” (Part 10)) will be used to:

- **First**, repay the outstanding amount of EUR 89,500,000 under the Bridge Loan (as defined under paragraph 10.1 of “*Description of the Issuer*” (Part 7) in accordance with the terms of the Bridge Loan; and
- **Secondly**, partially (for an expected (remaining) amount of EUR 110,500,000) repay, on 6 December 2019, the outstanding EUR 195,000,000 bonds issued by the Issuer on 6 December 2011 (the “**2011 Bonds**”), which are maturing on 6 December 2019. Any remaining amount (for an expected amount of EUR 84,500,000) to be repaid under the 2011 Bonds, will be repaid with available cash of the Group.

With this offering, the Issuer aims to achieve an optimal global balance between short-term and long-term debt, as well as between bank financing and financing through the capital markets. If the proceeds of the Bond amount to EUR 200,000,000, 59 per cent. of the aggregate indebtedness of the Group will be raised from the capital markets and the 41 per cent. will be bank financed.

Under the terms of the Bridge Loan, any proceeds of a debt capital markets issue made (including but not limited to *Schuldscheindarlehen* and retail bonds) or any drawn credit facility with a maturity period of at least two years and for a minimum principal amount of EUR 75,000,000, arranged after the date of the Bridge Loan should be applied to prepay the then outstanding amount under the Bridge Loan (which is on the date of this Prospectus, EUR 89,500,000). The estimated net amount of the proceeds (after deduction of the estimated total costs) of the Bonds, assuming estimated gross proceeds of EUR 200,000,000, is EUR 199,735,000.

## PART 9 TAXATION

**The tax legislation in force in any relevant jurisdiction, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Bonds.**

### **Belgium**

This section provides a general description of the main Belgian tax issues and consequences of acquiring, holding, redeeming and/or disposing of the Bonds. This summary provides general information only and is restricted to the matters of Belgian taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Belgian tax issues and consequences associated with or resulting from any of the above-mentioned transactions. Prospective acquirers are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds.

The summary provided below is based on the information provided in this Prospectus and on Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect.

### **Belgian Withholding Tax**

#### *General rules*

All interest payments in respect of the Bonds are in principle subject to Belgian withholding tax, currently at a rate of 30% on the gross amount of the interest, subject to such relief as may be available under applicable domestic law or applicable tax treaties.

In this regard, interest includes (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the initial issue price (upon full or partial redemption of the Bonds, or upon purchase by the Issuer) (whether or not on their respective maturity date) and (iii) the pro rata of accrued interest corresponding to the detention period in case of a realisation of the Bonds between two interest payment dates.

#### *The NBB-Clearing System*

The holding of the Bonds in the NBB-Clearing System permits investors to collect interest on their Bonds free of Belgian withholding tax if and as long as at the moment of payment or attribution of interest the Bonds are held by certain investors (the "**Tax Eligible Investors**", see below) in an exempt securities account ("**X-Account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the NBB-Clearing System. Euroclear, Clearstream Frankfurt, Interbolsa, SIX SIS and Monte Titoli are directly or indirectly Participants for this purpose.

Holding the Bonds through the NBB-Clearing System enables Tax Eligible Investors to receive the gross interest income (i.e., free of withholding tax) on their Bonds and to transfer Bonds on a gross basis.

Participants in the NBB-Clearing System must keep the Bonds they hold for the account of Tax Eligible Investors on X-Accounts, and those they hold for the account of non-Tax Eligible Investors on a non-exempt securities account ("**N-Account**"). Payments of interest made through X-Accounts are free of withholding tax; payments of interest made through N-Accounts are subject to a withholding tax of 30%, which the NBB deducts from the payment and pays over to the tax authorities.

Tax Eligible Investors are those referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier/koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*), which includes, *inter alia*:

- (a) Belgian resident companies subject to corporate income tax as referred to in Article 2, §1, 5°, b) of the Belgian code on income tax of 1992 (*code des impôts sur les revenus 1992/wetboek van de inkomstenbelastingen 1992*, the “**Income Tax Code of 1992**”)
- (b) Without prejudice to Article 262, 1° and 5° of the Income Tax Code of 1992, institutions, associations or companies referred to in Article 2, §3 of the law of 9 July 1975 on the supervision of insurance companies other than those referred to in (a) and (c);
- (c) state regulated institutions (*institutions paraétatiques/parastatalen*) for social security, or institutions which are assimilated therewith, provided for in Article 105, 2° of the royal decree implementing the Income Tax Code of 1992 (*arrêté royal d’exécution du code des impôts sur les revenus 1992/koninklijk besluit tot uitvoering van het wetboek van de inkomstenbelastingen 1992*, the “**Royal Decree implementing the Income Tax Code of 1992**”);
- (d) non-resident investors provided for in Article 105, 5° of the Royal Decree implementing the Income Tax Code of 1992 whose holding of the Bonds is not connected to a professional activity in Belgium;
- (e) investment funds, recognised in the framework of pension savings, provided for in Article 115 of the Royal Decree implementing the Income Tax Code of 1992;
- (f) taxpayers provided for in Article 227, 2° of the Income Tax Code 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to Article 233 of the Income Tax Code of 1992;
- (g) the Belgian State in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Income Tax Code of 1992;
- (h) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium and are not traded in Belgium; and
- (i) Belgian resident corporations, not provided for under (a) above, when their activities exclusively or principally consist of granting credits and loans.

Tax Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or Belgian non-profit organisations, other than those referred to under (b) and (c) above.

The above categories only summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

Transfers of Bonds between an X-Account and an N-Account may give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-Account (to an X-Account or N-Account) gives rise to the payment by the transferor non-Tax Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.

- A transfer (from an X-Account or N-Account) to an N-Account gives rise to the refund by the NBB to the transferee non-Tax Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Bonds between two X-Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening an X-Account with the NBB-Clearing System or a Participant therein, a Tax Eligible Investor is required to provide a statement of its tax eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Tax Eligible Investors save that they need to inform the Participants of any changes to the information contained in the statement of their tax eligible status.

Participants are required to provide the NBB annually with listings of investors who have held Bonds in an X-Account during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of Bonds that the Intermediary holds for the account of its clients (the “**Beneficial Owners**”), provided that each Beneficial Owner is a Tax Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself a Tax Eligible Investor and (ii) the Beneficial Owners holding their Bonds through it are also Tax Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to Bonds held in central securities depositories, as defined by Article 2, §1, 1) of Regulation (EU) n° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, acting as Participants to the NBB-Clearing System, provided that (i) they only hold X-Accounts, (ii) they are able to identify the Bondholders for whom they hold Bonds in such account and (iii) the contractual rules agreed upon by these central securities depositories acting as Participants include the contractual undertaking that their clients and account owners are all Tax Eligible Investors.

Hence, these identification requirements do not apply to Bonds held in Euroclear, Clearstream Frankfurt, Interbolsa, SIX SIS or Monte Titoli or any other central securities depository as Participants to the NBB-Clearing System, provided that (i) Euroclear, Clearstream, Interbolsa, SIX SIS or Monte Titoli only hold X-Accounts, (ii) they are able to identify the holders for whom they hold Bonds in such account and (iii) the contractual rules agreed upon by these central securities depositories include the contractual undertaking that their clients and account owners are all Tax Eligible Investors.

In accordance with the NBB-Clearing System, a Bondholder who is withdrawing Bonds from an X-Account will, following the payment of interest on those Bonds, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Bonds from the last preceding Interest Payment Date until the date of withdrawal of the Bonds from the NBB-Clearing System.

## **Belgian Tax on Income (including Capital Gains)**

### **(a) Belgian Resident Individuals**

For natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*impôt des personnes physiques/personenbelasting*) and who hold the Bonds as a private investment, payment of interest will in principle be subject to a 30% withholding tax in Belgium (see above). Payment of the 30% withholding tax fully discharges them from their personal income tax liability with respect to these interest payments. This means that they do not have to

declare the interest obtained on the Bonds in their personal income tax return, provided withholding tax was levied on these interest payments.

Belgian resident individuals may nevertheless elect to declare interest in respect of the Bonds in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at a flat rate of 30% (or at the progressive personal income tax rate taking into account the taxpayer's other declared income, whichever is more beneficial). If the interest payment is declared, the withholding tax retained may be credited against the taxpayer's personal income tax liability.

Capital gains realised on the disposal of the Bonds are in principle tax exempt, except if the capital gains are realised outside the scope of the management of one's private estate (in which case they are taxed at a rate of 33% plus local municipal surcharges) or except to the extent they qualify as interest (as defined in the section "Belgian Withholding Tax"). Capital losses realised upon the disposal of the Bonds held as a non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment

**(b) Belgian Resident Corporations**

Bondholders who are Belgian resident corporations, subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*), are liable to corporate income tax on the interest that is attributed or paid on the Bonds and capital gains realised upon the disposal of the Bonds. The standard corporate income tax rate in Belgium is 29%, plus a 2% crisis surcharge, i.e., 29.58%. Small companies (as defined in Article 1:24 of the 2019 Belgian Companies and Associations Code) are under certain conditions taxable at the reduced corporate income tax rate of 20.4% (20% plus a 2% crisis surcharge) for the first EUR 100,000 of their taxable base. As of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020, the corporate income tax rate will be reduced to 25%, and the reduced corporate income tax rate to 20%. Subject to certain conditions, the Belgian withholding tax paid, if any, may be credited against the corporate income tax and any excess may be refunded. Capital losses realised upon the disposal of the Bonds are in principle tax deductible.

Other tax rules apply to investment companies within the meaning of Article 185bis of the Income Tax Code of 1992.

**(c) Belgian Resident Legal Entities**

For a Belgian resident legal entity subject to Belgian legal entities income tax (*impôt des personnes morales/rechtspersonenbelasting*), the withholding tax on interest constitutes the final tax in respect of such income, which is neither creditable nor refundable.

Belgian resident legal entities holding the Bonds in an N-Account will be subject to a withholding tax of currently 30% on interest payments. They do not have to declare the interest obtained on the Bonds.

Belgian resident legal entities that qualify as Tax Eligible Investors and therefore are eligible to hold their Bonds in an X-Account will receive the interest without deduction of withholding tax. They are however required to declare the interest and pay the applicable withholding tax to the Belgian Treasury themselves.

Belgian legal entities are not liable to income tax on capital gains realised upon the disposal of the Bonds (unless the capital gains qualify as interest as defined above in the Section “Belgian Withholding Tax”). Capital losses are in principle not tax deductible.

**(d) Organisations for Financing Pensions (“OFP”)**

Interest and capital gains derived by OFPs (*Organismes de Financement de Pensions/Organismen voor de Financiering van Pensioenen*) in the meaning of the Law of 27 October 2006 on the supervision on institutions for occupational retirement provision (*loi du 27 octobre 2006 relative au contrôle des institutions de retraite professionnelle / wet van 27 oktober 2006 betreffende het toezicht op de instellingen voor bedrijfspensioenvoorziening*) are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax levied on the interest will be fully creditable against any corporate income tax due and any excess amount will in principle be refundable.

**(e) Non-Residents of Belgium**

Bondholders who are non-residents of Belgium for Belgian tax purposes, who are not holding the Bonds through a Belgian establishment and do not invest the Bonds in the context of their Belgian professional activity will in principle not incur or become liable for any Belgian tax on income or capital gains (save as the case may be, in the form of withholding tax) by reason only of the acquisition, ownership or disposal of the Bonds, provided that they qualify as Eligible Investors and that they hold their Bonds in an X-Account.

Non-resident corporations who hold the Bonds through a Belgian establishment are in principle subject to the same tax rules as Belgian resident corporations (see above).

**Tax on stock exchange transactions**

A tax on stock exchange transactions (*taxe sur les opérations de bourse/taks op de beursverrichtingen*) will be levied on the purchase and sale (and any other transaction for consideration) in Belgium of the Bonds on a secondary market if such transaction is (i) executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium by individuals with habitual residence (*residence habituelle/gewone verblijfplaats*) or by a legal entity for the account of their seat or establishment in Belgium.

The acquisition of Bonds upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

The rate generally applicable for debt securities on secondary sales and purchases is 0.12% with a maximum amount of EUR 1,300 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

However, in the scenario where the transaction is deemed to be executed in Belgium (where the intermediary is established outside of Belgium), the tax will in principle be due by the ordering person or legal entity, unless that person or legal entity can demonstrate that the tax has already been paid. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the professional intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and

formalities (a “**Stock Exchange Tax Representative**”). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and for complying with the reporting obligations and the obligations relating to the order statement in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

A tax on sales combined with a forward purchase (*taxe sur les reports/taks op de reportverrichtingen*) at the rate of 0.085% (subject to a maximum of EUR 1,300 per party and per transaction) will be due from each party to any such transaction in which a professional intermediary acts for either party.

However, none of the taxes referred to above will be payable by exempt persons acting for their own account, including investors who are not Belgian residents (subject to the delivery of an affidavit to the professional intermediary confirming their non-resident status), and certain Belgian institutional investors as defined in Article 126/1, 2° of the Code of miscellaneous duties and taxes (*Code des droits et taxes divers/Wetboek diverse rechten en taksen*) for the tax on stock exchange transactions and Article 139, second paragraph of the same code for the tax on sales combined with a forward purchase.

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (the “**FTT**”), which stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). Accordingly, the tax on stock exchange transactions and the tax on sales combined with a forward purchase should be abolished once the FTT enters into force.

### **Tax on securities accounts**

A tax on securities accounts (*taxe sur les comptes-titres /taks op de effectenrekeningen*) of 0.15% is levied on Belgian resident and non-resident individuals on their share in the average value of the qualifying financial instruments (including but not limited to shares, notes and units of undertakings for collective investment) held on one or more securities accounts during a reference period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year (“**Tax on Securities Accounts**”).

No Tax on Securities Accounts will be due provided the holder’s share in the average value of the qualifying financial instruments on those accounts amounts to less than EUR 500,000. If, however, the holder’s share in the average value of the qualifying financial instruments on those accounts amounts to EUR 500,000 or more, the Tax on Securities Accounts will be due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and, hence, not only on the part which exceeds the EUR 500,000 threshold).

Qualifying financial instruments held by non-resident individuals only fall within the scope of the Tax on Securities Accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed.

A financial intermediary is defined as (i) a credit institution or a stockbroking firm as defined by Article 1, §2 and §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (ii) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder's share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to EUR 500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value does not amount to EUR 500,000 or more, but of which the holder's share in the total average value of these accounts amounts to at least EUR 500,000). Otherwise, the Tax on Securities Accounts would have to be declared and would be due by the holder itself unless the holder provides evidence that the Tax on Securities Accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint a Tax on the Securities Accounts representative in Belgium, subject to certain conditions and formalities ("**Tax on the Securities Accounts Representative**"). Such a Tax on the Securities Accounts Representative will then be liable towards the Belgian Treasury for the Tax on the Securities Accounts due and for complying with certain reporting obligations in that respect.

Belgian resident individuals will have to report in their annual income tax return various securities accounts held with one or more financial intermediaries of which they are considered as a holder within the meaning of the Tax on Securities Accounts. Non-resident individuals have to report in their annual Belgian non-resident income tax return various securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered as a holder within the meaning of the Tax on Securities Accounts.

Prospective investors are urged to consult their own tax advisors as to the tax consequences of the application of the Tax on Securities Accounts on their investment in Bonds.

### **The Proposed Financial Transaction Tax**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). In December 2015, Estonia withdrew from the group of Participating Member States.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Bonds where at least one party is a financial institution (or a financial institution acting in the name of a party) established in a Member State (or deemed to be so), and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State. The Issuer is a financial institution incorporated in Belgium and therefore financial institutions worldwide would be subject to the FTT when dealing in the Bonds.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall be payable by each financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, which is acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each

party to the relevant financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

However, the FTT proposal remains subject to negotiation between the Participating Member States. Therefore, it may be altered prior to any implementation, the timing of which also remains unclear. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw.

Prospective Bondholders are advised to seek their own professional advice in relation to the FTT.

### **Common Reporting Standard (CRS)**

The exchange of information is governed by the Common Reporting Standard (“**CRS**”).

On 29 October 2014, 51 jurisdictions signed the multilateral competent authority agreement (“**MCAA**”), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. Subsequent signatures of the agreement brought the total number of jurisdictions that signed the MCAA on 25 June 2019 on 106.

About 100 jurisdictions committed to exchange information either by September 2017 or September 2018.

Council Directive 2011/16/EU on administrative cooperation in the field of taxation, as amended by the Directive on Administrative Cooperation (2014/107/EU) of 9 December 2014 (“**DAC2**”), implemented the exchange of information based on the CRS within the EU. The CRS has been transposed in Belgium by the Law of 16 December 2015.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

Under DAC2 (and the Belgian law of 16 December 2015, see below), Belgian financial institutions holding the Bonds for tax residents in another CRS contracting state, shall report financial information regarding the Bonds (income, gross proceeds, etc.) to the Belgian competent authority, who shall communicate the information to the competent authority of the CRS state of the tax residence of the beneficial owner.

The Belgian government has implemented DAC2, respectively the Common Reporting Standard, pursuant to the Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the “**Law of 16 December 2015**”).

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other jurisdictions that have signed the MCAA, as of a date to be further determined by Royal Decree. In a Royal Decree of 14 June 2017, it was determined that the automatic provision of information has to be provided as from 2017 (for the 2016 financial year) for a first list of 18 jurisdictions, as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions, and as from 2019 (for the 2018 financial year) for a third list of 1 jurisdiction.

Investors who are in any doubt as to their position should consult their professional advisers.

## PART 10 SUBSCRIPTION AND SALE

BNP Paribas Fortis SA/NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Belgian law, having its statutory seat at Rue Montagne du Parc 3, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0403.199.702 (“**BNP Paribas Fortis**”), ING Bank N.V., a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Dutch law, acting through its Belgian Branch, having its statutory seat in Belgium at Avenue Marnixlaan 24, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0828.223.909 (“**ING**”) and KBC Bank NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Belgian law, having its statutory seat at Havenlaan 2, 1080 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0462.920.226 (“**KBC**”) are acting as joint lead managers and joint bookrunners (the “**Joint Lead Managers**”) and BNP Paribas Fortis is acting as the global coordinator (the “**Global Coordinator**”) in connection with the Public Offer. The Joint Lead Managers have, pursuant to a subscription agreement dated on or about 8 October 2019 (the “**Subscription Agreement**”), agreed with the Issuer, subject to certain terms and conditions, to use best efforts to place the Bonds in an aggregate maximum amount of EUR 200,000,000 with third parties at the Issue Price (less a discount, if applicable, as further specified below) and at the conditions specified below. KBC Bank NV also acts as Agent in the framework of the Public Offer.

This section contains the terms and conditions of the Public Offer of the Bonds by the Joint Lead Managers. Each offer and sale of the Bonds by any financial intermediary authorised pursuant to MiFID II to conduct such offers (each an “**Authorised Offeror**”) will be made in accordance with the terms and conditions as agreed between the Authorised Offeror and an investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor. The Issuer and the Joint Lead Managers are not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Authorised Offeror and an investor. This Prospectus does not contain the terms and conditions of any Authorised Offeror. The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror during the Subscription Period. Neither the Issuer nor any of the Joint Lead Managers can be held liable or responsible for any such information.

Each of the services provided by the Joint Lead Managers may be provided by any of the Joint Lead Managers acting through any of its branches, Subsidiaries or affiliates, and all references to “Joint Lead Managers” herein shall include such branches, subsidiaries and affiliates to the extent that such services are provided by them.

### **Subscription Period**

The Bonds will be offered to the public in Belgium (the “**Public Offer**”) during the Subscription Period (as defined below). The Joint Lead Managers expect to offer the Bonds to qualified investors (as defined in the Prospectus Regulation, the “**Qualified Investors**”) and to investors who are not Qualified Investors (the “**Retail Investors**”). The Bonds will be issued on 25 October 2019 (the “**Issue Date**”). However, in case a supplement to the Prospectus gives rise to withdrawal rights exercisable on or after the Issue Date of the Bonds in accordance with Article 23 of the Prospectus Regulation, the Issue Date will be postponed until the first business day following the last day on which the withdrawal rights may be exercised. Orders by investors to purchase the Bonds are irrevocable, provided that investors who have already agreed to purchase or subscribe securities before the publication of the supplement to the Prospectus have the right to withdraw their agreement during a period of two business days commencing on the day after the publication of the supplement. This period can be extended by the Issuer. The final date for the exercise of the withdrawal right shall be published in this supplement.

The Public Offer will start on 11 October 2019 at 9.00 am (CET) and end on 18 October 2019 at 5.30 pm (CET) (the “**Subscription Period**”), or such earlier date as the Issuer may determine in agreement with the

Joint Lead Managers, subject to the Minimum Sales Period (as defined below). In such case, such closing date will be announced by or on behalf of the Issuer, on its website (within the section addressed to investors) ([www.bekaert.com/en/investors/information-center/financial-instruments-bonds](http://www.bekaert.com/en/investors/information-center/financial-instruments-bonds)) and on the websites of the Joint Lead Managers ([www.bnpparibasfortis.be/emissions](http://www.bnpparibasfortis.be/emissions) for BNP Paribas Fortis, [www.ing.be](http://www.ing.be), go to “Beleggen – Obligaties” or “Investir – Obligations” for ING and [www.kbc.be/bekaert](http://www.kbc.be/bekaert) for KBC).

Except in the case of oversubscription as set out below under “Early closure and reduction” and “Allotment / over-subscription in the Bonds”, a prospective subscriber will receive 100% of the amount of the Bonds validly subscribed to by it during the Subscription Period. Retail Investors are therefore encouraged to subscribe to the Bonds on the first business day of the Subscription Period before 5.30 pm (CET) to ensure that their subscription is taken into account when the Bonds are awarded, subject, as the case may be, to a proportional reduction of their subscription.

Prospective subscribers will be notified of their allocations of Bonds by the applicable financial intermediary in accordance with the arrangements in place between such financial intermediary and the prospective subscriber.

No dealings in the Bonds on a regulated market for the purposes of MiFID II may take place prior to the Issue Date.

After having read the entire Prospectus, the investors can subscribe to the Bonds via the branches of the Joint Lead Managers, using the subscription form provided by the Joint Lead Managers as well via the digital channels provided by the Joint Lead Managers. The applications can also be submitted via agents of other financial intermediaries in Belgium. In this case, the investors must obtain information concerning the commission fees that the agent or financial intermediary can charge. These commission fees are charged to the investors (please refer to the section “*Costs, fees and charges*” below for more information regarding commissions and fees).

Subject to the withdrawal right described above, each subscription is irrevocable as from closing of the Subscription Period and no subscription may occur prior to the commencement of the Subscription Period.

### **Conditions to which the Public Offer is subject**

The Public Offer and the issue of the Bonds is subject to a limited number of conditions set out in the Subscription Agreement, which are customary for this type of transaction, and which include, amongst others: (i) the correctness of the representations and warranties made by the Issuer in the Subscription Agreement; (ii) the Subscription Agreement, the Clearing Agreement and the Agency Agreement having been executed by all parties thereto prior to the Issue Date, (iii) the admission of the Bonds on the regulated market of Euronext Brussels having been granted on or prior to the Issue Date, (iv) there having been, as at the Issue Date, in the reasonable opinion of the Joint Lead Joint Lead Managers, no Material Adverse Change (as defined in the Subscription Agreement and as described below), (v) the Issuer having performed all the obligations to be performed by it under the Subscription Agreement on or before the Issue Date, (vi) the market conditions being satisfactory in the Joint Lead Joint Lead Managers’ reasonable opinion and with the agreement of the Issuer and (vii) at the latest on the Issue Date, the Joint Lead Managers having received customary confirmations as to certain legal and financial matters pertaining to the Issuer and the Group.

A “**Material Adverse Change**” means a material adverse change in the condition (financial or otherwise), business affairs, prospects or results or operations of the Issuer or the Group taken as a whole.

These conditions may be waived (in full or in part) by the Joint Lead Managers. The Subscription Agreement does not entitle the Joint Lead Managers to terminate their obligations prior to payment being made to the Issuer, except in certain limited circumstances.

If the conditions of the Public Offer and the issue of the Bonds are not fulfilled on the Issue Date (subject to the waiver by the Joint Lead Managers (as the case may be)) or if the Joint Lead Managers terminate the Subscription Agreement in one of the circumstances described above, the Bonds will not be issued and the total amount of funds already paid by the investors for the Bonds will be reimbursed. For the avoidance of doubt, no interest shall accrue in respect of these funds. In case of a cancellation of the Public Offer, a notification will be published on the website of the Issuer ([www.bekaert.com/en/investors/information-center/financial-instruments-bonds](http://www.bekaert.com/en/investors/information-center/financial-instruments-bonds)) and the websites of the Joint Lead Managers ([www.bnpparibasfortis.be/emissions](http://www.bnpparibasfortis.be/emissions) for BNP Paribas Fortis, [www.ing.be](http://www.ing.be), go to “Beleggen – Obligaties” or “Investir – Obligations” for ING and [www.kbc.be/bekaert](http://www.kbc.be/bekaert) for KBC) and the Issuer shall publish a supplement to the Prospectus.

### **Issue Price**

The issue price will be 101.875% for each of the Bonds (the “**Issue Price**”). This price includes the Retail Commission (as further described below), reduced, as the case may be, by a discount up to 1.875% for investors who are qualified investors (as defined in the Prospectus Regulation, the “**Qualified Investors**”) (as further described below).

Investors who are not Qualified Investors will pay a selling and distribution commission of 1.875% (the “**Retail Commission**”).

The Qualified Investors will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount up to 1.875% based among others on (i) the evolution of the credit quality of the Issuer (credit spread), (ii) the evolution of interest rates, (iii) the success (or lack of success) of the placement of the Bonds, (iv) the market environment and (v) the principal amount of Bonds purchased by an investor, each as determined by each Joint Lead Manager in its sole discretion (the “**QI Commission**”).

The gross actuarial yield of the Bonds is 2.455 % on an annual basis. The net actuarial yield of the Bonds is 1.639 % on an annual basis. The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the original rate of interest of 2.75% per annum (the “**Original Rate of Interest**”) and is based on the assumption that the Bonds will be held until 25 October 2026 (the “**Maturity Date**”) when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until the Maturity Date. The net yield reflects a deduction of Belgian withholding tax at the current rate of 30% (investors should consult Part 9: *Taxation* of this Prospectus for further information about the Belgian taxation regime as well as section “*Costs, fees and charges*” below for more information regarding fees and expenses charged)).

The minimum amount of application for the Bonds is EUR 1,000. The maximum amount of application is the Aggregate Nominal Amount (as defined below).

### **Aggregate Nominal Amount**

The aggregate maximum nominal amount of the Bonds amounts to EUR 200,000,000 (the “**Maximum Nominal Amount**”).

The criteria in accordance with which the final aggregate nominal amount (the “**Aggregate Nominal Amount**”) of the Bonds will be determined by the Issuer are the following: (i) the funding needs of the Issuer, which could evolve during the Subscription Period for the Bonds, (ii) the levels of the interest rates and the credit spread of the Issuer on a daily basis, (iii) the level of demand from investors for Bonds as observed by the Joint Lead Managers on a daily basis, (iv) the occurrence or not of certain events during the Subscription Period of the Bonds giving the possibility to the Issuer and/or the Joint Lead Managers to early terminate the Subscription Period or not to proceed with the Public Offer and the issue of Bonds, (v) and the fact that the Maximum Nominal Amount is EUR 200,000,000.

As the case may be, upon the decision of the Issuer with the consent of the Joint Lead Managers (taking into account the demand from investors), the Aggregate Nominal Amount may be increased above the Maximum Nominal Amount at the end (or upon the early closing) of the Subscription Period. In such case, a supplement to the Prospectus shall be published.

The Aggregate Nominal Amount shall be published as soon as possible after the end (or the early closing) of the Subscription Period by the Issuer, on its website (within the section addressed to investors) ([www.bekaert.com/en/investors/information-center/financial-instruments-bonds](http://www.bekaert.com/en/investors/information-center/financial-instruments-bonds)) and on the websites of the Joint Lead Managers ([www.bnpparibasfortis.be/emissions](http://www.bnpparibasfortis.be/emissions) for BNP Paribas Fortis, [www.ing.be](http://www.ing.be), go to “Beleggen – Obligaties” or “Investir – Obligations” for ING and [www.kbc.be/bekaert](http://www.kbc.be/bekaert) for KBC).

### **Payment date and details**

The expected payment date is 25 October 2019. The payment for the Bonds can only occur by means of debiting from a deposit account.

On the date that the subscriptions are settled, the NBB-Clearing System will credit the custody account of the Agent according to the details specified in the rules of the NBB-Clearing System.

Subsequently, the Agent, at the latest on the payment date, will credit the amounts of the subscribed Bonds to the account of the participants for onward distribution to the subscribers, in accordance with the usual operating rules of the NBB-Clearing System.

### **Costs, fees and charges**

The estimated gross proceeds (before deduction of costs and expenses) of the Bonds will be an amount equal to the Aggregate Nominal Amount.

The estimated net amount of the proceeds (after deduction of the estimated total costs) of the Bonds will be EUR 199,735,000.

The Issue Price shall include the selling and distribution commission described below, such commission being borne and paid by the investors.

The following expenses will be expressly charged to the investors when they subscribe to the Bonds:

- (a) the subscribers who are not Qualified Investors will bear a selling and distribution commission of 1.875% (*i.e.* the **Retail Commission**), included in the Issue Price; and
- (b) the subscribers who are Qualified Investors will normally bear a distribution commission equal to the Retail Commission reduced, as the case may be, by a discount of up to 1.875% (the **QI Commission**).

Such fees will be included in the Issue Price applied to them.

Each subscriber shall make his own enquiries with his financial intermediaries on the related or incidental costs (transfer fees, custody charge, etc.) which the latter may charge.

All the costs incurred by the Issuer with respect to the issue of the Bonds (including the costs of legal fees, the auditor, Euronext Brussels, the Agent, the FSMA and costs related to marketing) are to be borne by the Issuer and are estimated to be EUR 265,000.

The financial services in relation to the Bonds will be provided free of charge by the Joint Lead Managers. Investors must inform themselves about the costs that their financial institutions might charge them.

Bondholders should be aware that additional costs and expenses may be due to the relevant financial intermediary upon exercising the Change of Control put option referred to in Condition 5.2 (*Redemption at the option of Bondholders upon a Change of Control*) through a financial intermediary (other than the Agent) and the Bondholders should inform themselves thereof before exercising the put option.

Investors may be subject to taxes such as withholding taxes and a tax on stock exchange transactions. Please refer to Part 9: *Taxation* of this Prospectus for more information.

### **Early closure and reduction**

Early termination of the Subscription Period will intervene at the earliest on 11 October 2019 at 5.30 pm (CET) (the minimum Subscription Period being referred to as the “**Minimum Sales Period**”). This is the third business day in Belgium following the day on which the Prospectus has been made available on the websites of the Issuer and the Joint Lead Managers (including the day on which the Prospectus has been made available) and means that the Subscription Period will remain open at least one business day until 5.30 pm (CET). Thereafter, early termination can take place at any moment (including in the course of a business day). In case of early termination of the Subscription Period, a notice will be published as soon as possible on the websites of the Issuer ([www.bekaert.com/en/investors/information-center/financial-instruments-bonds](http://www.bekaert.com/en/investors/information-center/financial-instruments-bonds)) and the Joint Lead Managers ([www.bnpparibasfortis.be/emissions](http://www.bnpparibasfortis.be/emissions) for BNP Paribas Fortis, [www.ing.be](http://www.ing.be), go to “Beleggen – Obligaties” or “Investir – Obligations” for ING and [www.kbc.be/bekaert](http://www.kbc.be/bekaert) for KBC). This notice will specify the date and hour of the early termination.

The Subscription Period may be terminated early by the Issuer during the Subscription Period with the consent of the Joint Lead Managers and taking into account the Minimum Sales Period (i) as soon as the Maximum Nominal Amount is reached, or (ii) in the event that a major change in market conditions occurs, or (iii) in case a Material Adverse Change occurs with respect to the Issuer or the Group (on a consolidated level).

In case the Subscription Period is terminated early as a result of the occurrence described under (ii) or (iii) in the preceding sentence, then the Issuer will publish a supplement to the Prospectus.

The Issuer will ensure that any such supplement is published as soon as possible after the occurrence of such termination of the Subscription Period (as a result of the occurrence described under (ii) or (iii)) (see page 31 of the Prospectus for further information with respect to the publication of supplements to the Prospectus). Investors who have already agreed to purchase or subscribe to the Bonds before the publication of the supplement to the Prospectus in relation to the Bonds have the right to withdraw their agreement during a period of two business days commencing on the day after the publication of the supplement. This period can be extended by the Issuer. The final date for the exercise of the withdrawal right shall be mentioned in the supplement.

In addition, the offer is subject to specific conditions negotiated between the Joint Lead Managers and the Issuer that are included in the Subscription Agreement, and in particular, the obligations of the Joint Lead Managers under the Subscription Agreement could terminate, inter alia, as set out above.

### **Allotment / over-subscription in the Bonds**

The Joint Lead Managers, acting on a several (and not joint) basis, agree to place the Bonds on a best efforts basis.

The Issuer agreed that the targeted allocation structure between the Joint Lead Managers for the placement of the Bonds will be the following:

- (a) each of the Joint Lead Managers: 27.5% of the nominal amount of the Bonds to be issued to be placed on a best efforts basis and allocated exclusively to Retail Investors in its own retail

and private banking network, at a price equal to 100% of the nominal amount of Bonds plus the Retail Commission (i.e. at the Issue Price), in aggregate 82.5% of the nominal amount of the Bonds to be issued (the “**JLM Bonds**”), it being understood that each Joint Lead Manager shall receive the Retail Commission for the JLM Bonds placed by it;

- (b) the Joint Lead Managers, acting together on a best efforts basis, for the placement towards third party distributors and/or Qualified Investors as a pot deal at a price equal to 100% of the nominal amount of the Bonds plus the QI Commission, as the case may be: 17.5% of the nominal amount of the Bonds to be issued (the “**QI Bonds**”), it being understood that each Joint Lead Manager will receive an equal amount of the total amount of QI Commissions earned in relation to the QI Bonds.

Upon the closing of the Subscription Period (as the case may be, upon an early closure as described above in the section “Early closure and reduction”), the Aggregate Nominal Amount of the Bonds will be determined by the Issuer (upon consultation with the Joint Lead Managers), on the basis of the criteria set out above in the subsection “Aggregate Nominal Amount”.

If upon the closing of the Subscription Period and the determination of the Aggregate Nominal Amount, the JLM Bonds assigned to a Joint Lead Manager are not fully placed by such Joint Lead Manager, the other Joint Lead Managers (having fully placed the JLM Bonds assigned to them) will have, pro rata their demand of the Bonds, the right (but not the obligation) to allocate such unplaced Bonds to orders received from Retail Investors in their own retail and private banking network, each up to a maximum amount equal to 33.3% of the nominal amount of the Bonds to be issued. In the event that any Bonds remain unplaced, such Bonds may be allocated to the orders relating to QI Bonds, towards third party distributors and/or Qualified Investors. In the event that any Bonds remain unplaced pursuant to the mechanisms described in this paragraph, the Joint Lead Managers will have (pro rata their demand of the Bonds), the right (but not the obligation) to allocate such unplaced Bonds to unallocated orders received from Retail Investors in their own retail and private banking network.

This allocation structure can only be amended in mutual agreement between the Issuer and the Joint Lead Managers.

Investors should note that the Joint Lead Managers will continue to collect subscriptions until the end of the Subscription Period. The Joint Lead Managers will receive fees in respect of these JLM Bonds pro rata to the amount of assigned Bonds they have placed. Retail Investors are encouraged to subscribe to the Bonds on the first business day of the Subscription Period before 5.30 pm (CET) to ensure that their subscription is taken into account when the Bonds are awarded, subject, as the case may be, to a proportional reduction of their subscription.

All subscriptions that have been validly introduced by the Retail Investors with the Joint Lead Managers before the end of the Minimum Sales Period (as set out under the section “*Subscription Period*” above) will be taken into account when the Bonds are allotted, it being understood that, in case of oversubscription, a reduction may apply, i.e., the subscriptions will be scaled back proportionally, with an allocation of a multiple of EUR 1,000, and to the extent possible (i.e., to the extent there are not more investors than Bonds), a minimum nominal amount of EUR 1,000, which is the minimum subscription amount for investors.

Subscribers may have different reduction percentages applicable to them depending on the financial intermediary through which they have subscribed to the Bonds. The Joint Lead Managers shall in no manner whatsoever be responsible for the allotment criteria that will be applied by other financial intermediaries.

Investors should be aware that they should place an order for the Bonds they wish to subscribe to. In case of oversubscription and a subsequent reduction of the subscriptions (as indicated above), investors will not be able to benefit from a reallocation of their order to Bonds which they did not subscribe to.

In case of early termination of the Subscription Period, the investors will be informed regarding the number of Bonds that have been allotted to them as soon as possible after the date of the early termination of the Subscription Period.

Any payment made by a subscriber to the Bonds in connection with the subscription of Bonds which are not allotted will be refunded within seven business days after the date of payment in accordance with the arrangements in place between such relevant subscriber and the relevant financial intermediary, and the relevant subscriber shall not be entitled to any interest in respect of such payments.

In accordance with Article 7, § 1 of the Royal Decree of 17 May 2007 on primary market transactions, the Joint Lead Managers shall not, in case of full subscription or oversubscription in respect of the Public Offer, directly or indirectly acquire any Bonds for their own account.

### **Results of the Public Offer**

The results of the offer of the Bonds (including its net proceeds) shall be published as soon as possible after the end of the Subscription Period and on or before the Issue Date by the Issuer, on its website (within the section addressed to investors) ([www.bekaert.com/en/investors/information-center/financial-instruments-bonds](http://www.bekaert.com/en/investors/information-center/financial-instruments-bonds)), and by the Joint Lead Managers ([www.bnpparibasfortis.be/emissions](http://www.bnpparibasfortis.be/emissions) for BNP Paribas Fortis, [www.ing.be](http://www.ing.be), go to “Beleggen – Obligaties” or “Investir – Obligations” for ING and [www.kbc.be/bekaert](http://www.kbc.be/bekaert) for KBC).

The same method of publication will be used to inform the investors in case of early termination of the Subscription Period.

Furthermore, the amount of Bonds will be notified to the FSMA as soon as possible at the earlier of the end of the Subscription Period and the date of the early termination of the Subscription Period.

### **Expected timetable of the Public Offer**

The main steps of the timetable of the Public Offer are as follows:

- 9 October 2019: publication of the Prospectus on the website of the Issuer;
- 11 October 2019, 9.00 a.m. (CET): opening of the Subscription Period;
- 11 October 2019, 5.30 p.m. (CET): earliest closing of the Subscription Period;
- 18 October 2019, 5.30 p.m. (CET): closing of the Subscription Period (if not closed earlier);
- Between 18 October 2019 and 20 October 2019: expected publication date of the results of the Public Offer (including its net proceeds), unless published earlier in case of early closing of the Subscription Period;
- 25 October 2019: Issue Date and listing and admission to trading of the Bonds on the regulated market of Euronext Brussels.

The dates and times of the Public Offer and periods indicated in the above timetable and throughout this Prospectus may change. Should the Issuer decide to amend such dates, times or periods, it will inform investors through a publication on its website (within the section addressed to investors) ([www.bekaert.com/en/investors/information-center/financial-instruments-bonds](http://www.bekaert.com/en/investors/information-center/financial-instruments-bonds)). Any material alterations to this Prospectus are to be approved by the FSMA, and will be, in each case as and when required by applicable law, published in a press release, an advertisement in the financial press and/or a supplement to this Prospectus.

## **Transfer of the Bonds**

Subject to the applicable selling restrictions, the Bonds are freely transferable (see below).

## **Selling restrictions**

### *General*

The Bonds are being offered only to investors to whom such offer can be lawfully made under any law applicable to those investors. The Issuer has taken necessary actions to ensure that the Bonds may be lawfully offered to the public in Belgium. The Issuer has not taken any action to permit any offering of the Bonds in any other jurisdiction outside of Belgium and neither the Issuer nor the Joint Lead Managers make any representation that any action will be taken in any jurisdiction (other than Belgium) by the Joint Lead Managers or the Issuer that would permit a public offering of the Bonds in any such jurisdiction, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Bonds (including road show materials and investor presentations) in any country or jurisdiction where action for that purpose is required.

The distribution of this Prospectus and the subscription for, and acquisition of, the Bonds may, under the laws of certain countries other than Belgium, be governed by specific regulations or legal and regulatory restrictions. Individuals in possession of this Prospectus, or considering the subscription for, or acquisition of, the Bonds, must inquire about those regulations and about possible restrictions resulting from them, and comply with those restrictions. Intermediaries cannot permit the subscription for, or acquisition of, the Bonds for clients whose addresses are in a country where such restrictions apply. No person receiving this Prospectus (including trustees and nominees) may distribute it in, or send it to, such countries, except in conformity with applicable law. The subscribers undertake to abide to the legal and regulatory rules applicable to the offer and sale of the Bonds in any country where these Bonds would be placed and in particular undertake to abide with the selling restrictions set out below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, or an offer to sell or the solicitation of an offer to buy the Bonds in any circumstances in which such offer or solicitation is unlawful. Neither the Issuer nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer of the Bonds (other than the Public Offer in Belgium) in circumstances in which an obligation arises for the Issuer or the Joint Lead Managers to publish a prospectus for such offer.

The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.

### *European Economic Area*

Each Joint Lead Manager has represented and agreed that it has not made and will not make an offer of Bonds (except for the Public Offer in Belgium) which are the subject of the offering contemplated by this Prospectus to the public in the European Economic Area other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the dealer(s) nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 1.4 or Article 3.2 of the Prospectus Regulation,

provided that no such offer of Bonds shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Bonds to the public**” in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

#### *United States*

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities law of any State or any jurisdiction in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Joint Lead Managers have represented and agreed that, except as permitted by the Subscription Agreement, they have not offered, sold or delivered and will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and they will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the Public Offer, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

#### *United Kingdom*

Each Joint Lead Manager represents and agrees that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**UK FSMA**”) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the UK FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the UK FSMA with respect to anything done by them in relation to the Bonds in, from or otherwise involving the United Kingdom.

**PART 11**  
**GENERAL INFORMATION**

- (1) Application has been made for the Bonds to be listed and admitted to trading on the regulated market of Euronext Brussels as from the Issue Date.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer passed on 2 October 2019.
- (3) There has been no significant change in the financial or trading position of the Issuer since 30 June 2019 nor a material adverse change in the prospects of the Issuer since 31 December 2018.
- (4) The Bonds have been accepted for clearance through the clearing system of the National Bank of Belgium with Common Code 206429992. The International Securities Identification Number (ISIN) for the Bonds is BE0002673540. The address of the National Bank of Belgium is 14 Boulevard de Berlaimont, 1000 Brussels, Belgium. A service contract for the issuance of fixed income securities will be entered into by the Issuer with KBC Bank NV as Paying Agent and the National Bank of Belgium (the “NBB”) on or about the Issue Date.
- (5) Unless otherwise indicated in this Prospectus, so far as the Issuer is aware, no other person involved in the Public Offer has any interest, including conflicting ones, that is material to the Public Offer, save for any fees payable to the Joint Lead Managers.
- (6) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from the information published by such third parties, no facts have been omitted which would render the information inaccurate or misleading in any material respect. The source of third party information is identified where used.
- (7) The Issuer does not have the intention to furnish any information with respect to the Bonds after the issuance of the Bonds, unless expressly required by law.
- (8) During the Subscription Period and during the life of the Bonds, copies of the following documents will be available on the website of the Issuer ([www.bekaert.com](http://www.bekaert.com)) as well as at the statutory seat of the Issuer (Bekaertstraat 2, 8550 Zwevegem, Belgium) during normal business hours at any business day:
  - (a) the Articles of Association (*Statuts/Statuten*) of the Issuer in Dutch and in English;
  - (b) the audited consolidated financial statements of the Issuer, auditor’s report and explanatory notes of the Issuer for the financial year ended 31 December 2018;
  - (c) the unaudited interim condensed consolidated financial statements of the Issuer for the first six months of 2019; and
  - (d) a copy of this Prospectus, together with any supplement to this Prospectus.
- (9) A copy of this Prospectus, together with any supplement to this Prospectus, can be obtained free of charge on the website of the Issuer ([www.bekaert.com](http://www.bekaert.com)) and the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)).
- (10) The statutory auditor Deloitte Bedrijfsrevisoren CVBA, with statutory seat at Gateway building, Luchthaven Brussel Nationaal 1 J, B-1930 Zaventem, Belgium, represented by Charlotte

Vanrobaeys, member of the *Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren*, has audited, and rendered unqualified audit reports on, the annual financial statements of the Issuer for the year ended 31 December 2018.

**PART 12**  
**FORM OF CHANGE OF CONTROL PUT EXERCISE NOTICE**

*Bondholders wishing to exercise the put option following a Change of Control pursuant to Condition 5.2 (Redemption at the Option of Bondholders Upon a Change of Control) will be required to deposit during the Change of Control Put Exercise Period a duly completed and signed Change of Control Put Exercise Notice with the relevant Intermediary.*

*Such Intermediary is the bank or other financial intermediary through which the Bondholder holds the Bonds.*

*To: [Details of the Intermediary through which the Bondholder holds the Bonds]*

**NV BEKAERT SA**  
(incorporated with limited liability under the laws of Belgium)

2.75% Bonds due 25 October 2026 (issued in the denomination of EUR 1,000 and as described in the Prospectus dated 8 October 2019)  
ISIN: BE0002673540 Common Code 206429992 (the “**Bonds**”)

**CHANGE OF CONTROL PUT EXERCISE NOTICE**

By sending this duly completed Change of Control Put Exercise Notice to the Agent in accordance with Condition 5.2 (*Redemption at the Option of Bondholders upon a Change of Control*) of the Bonds, the undersigned holder of the Bonds specified below exercises its option to have such Bonds redeemed early in accordance with Condition 5.2 on the Change of Control Put Date falling on .....\* The undersigned holder of such Bonds hereby confirms to the Issuer that (i) he/she/it holds the amount of Bonds specified in this Change of Control Put Exercise Notice and (ii) he/she/it undertakes not to sell or transfer such Bonds until the Change of Control Put Date specified above.

**Nominal amount of Bonds held:**

EUR..... ([amount in figures] Euro)

**Nominal amount of Bonds in respect of which the undersigned holder wishes to exercise its option to have such Bonds redeemed early in accordance with Condition 5.2 (which may be all or part of the Bonds held by it):**

EUR..... ([amount in figures] Euro)

**Bondholder contact details:**

Name or Company: .....

Address: .....

Telephone number:.....

**Payment instructions:**

Please make payment in respect of the Bonds redeemed early pursuant to Condition 4(b) by Euro transfer to the following bank account:

Name of Bank: .....

Branch Address: .....

Account Number: .....

\* Complete as appropriate.

The undersigned holder of the Bonds confirms that payment in respect of the redeemed Bonds shall be made against debit of his/her/its securities account number ..... with [*name and address of bank*] for the above-mentioned nominal amount of Bonds.

All notices and communications relating to this Change of Control Put Exercise Notice should be sent to the address of the Bondholder specified above.

Terms used and not otherwise defined in this Change of Control Put Exercise Notice have the meanings given to them in the terms and conditions of the Bonds.

Signature of the holder: ..... Date:.....

N.B. The Agent shall not in any circumstances be liable to any Bondholder or any other person for any loss or damage arising from any act, default or omission of the Agent in relation to the said Bonds or any of them unless such loss or damage was caused by the fraud or negligence of the Agent.

**THIS CHANGE OF CONTROL PUT EXERCISE NOTICE WILL NOT BE VALID UNLESS (I) ALL OF THE PARAGRAPHS REQUIRING COMPLETION ARE DULY COMPLETED AND (II) IT IS DULY SIGNED AND SENT TO THE RELEVANT INTERMEDIARY.**

**BONDHOLDERS ARE ADVISED TO CHECK WITH THE RELEVANT INTERMEDIARY WHEN SUCH INTERMEDIARY WOULD REQUIRE TO RECEIVE THE COMPLETED CHANGE OF CONTROL PUT EXERCISE NOTICE TO ARRANGE TO DELIVER THE CHANGE OF CONTROL PUT EXERCISE NOTICE AND THE BONDS TO BE REDEEMED TO THE ACCOUNT OF THE AGENT FOR THE ACCOUNT OF THE ISSUER BY THE RELEVANT CHANGE OF CONTROL PUT DATE.**

**ONCE VALIDLY GIVEN THIS CHANGE OF CONTROL PUT EXERCISE NOTICE IS IRREVOCABLE.**

**Issuer**

NV Bekaert SA  
Bekaertstraat 2  
8550 Zwevegem  
Belgium

**Global Coordinator**

BNP Paribas Fortis SA/NV  
Montagne du Parc 3  
1000 Brussels  
Belgium

**Joint Bookrunners – Joint Lead Managers**

BNP Paribas Fortis SA/NV  
Montagne du Parc 3  
1000 Brussels  
Belgium

ING Bank N.V., Belgian Branch  
Avenue Marnixlaan 24  
1000 Brussels  
Belgium

KBC Bank NV  
Havenlaan 2  
1080 Brussels  
Belgium

**Paying and Calculation Agent**

KBC Bank NV  
Havenlaan 2  
1080 Brussels  
Belgium

**Legal Advisers**

**to the Issuer**

Liedekerke Wolters Waelbroeck Kirkpatrick CVBA  
Keizerslaan 3  
1000 Brussels  
Belgium

**to the Global Coordinator and the Joint Lead Managers**

Allen & Overy (Belgium) LLP  
Avenue de Tervueren 268A  
1150 Brussels  
Belgium

**Statutory Auditor of the Issuer**

Deloitte Bedrijfsrevisoren CVBA  
Gateway building, Luchthaven Brussel Nationaal 1 J  
1930 Zaventem  
Belgium