



Quest for Growth

Privak - Public investment company with fixed capital under Belgian law – Public limited liability company

Lei 19 box 3

3000 Leuven

CPR (Leuven): 0463.541.422

(the “Company”)

Special report of the board of directors, as far as needed, in accordance with article 560 BCC regarding the modification of rights attached to the shares

Dear shareholders,

The board of directors will propose to you on the extraordinary shareholders’ meeting of 16 March 2017, or in the event the attendance quorum is not met during the first meeting, of 25 April 2017, to include an exemption in the articles of association of the Company to the principle set forth in clause 37, paragraph 4, according to which the special majority requirement for resolutions to amend the articles of association, or resolutions for which the law requires at least the same special majority of votes, has to be reached in each class of shares separately (and not only for the total number of votes present or represented at the meeting).

According to article 560 of the Belgian Companies Code (“BCC”), the board of directors is required, under penalty of nullity of the decision of the extraordinary shareholders’ meeting, to draw up a special report for each modification of the rights attached to several classes of shares in the Company and the replacement of certain classes of shares by other classes of shares.

Since inserting an exemption to the principle set forth in clause 37, paragraph 4 of the articles of association might under certain circumstances be considered as a modification of the rights attached to the different classes of shares in the Company within the meaning of article 560 BCC, the board of directors draws up, as far as necessary, this special report to clarify and justify the proposed decision to amend the articles of association.

1 DESCRIPTION OF THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The board of directors proposes to amend the text of article 37, paragraph 4 of the articles of association as follows:

“In the event of an amendment of the articles of association, or a decision for which the law requires at least the same special majority, the majority requirements provided by law should be complied with for every class of shareholders separately. By derogation of the foregoing, the decision to amend article 5 of the articles of association to implement the decision of the board of directors to dismiss the Management Company because of (i) fraud, (ii) actions prohibited by criminal laws, (iii) change of control over the Management Company within the meaning of the Belgian Companies Code or (iv) serious breaches or violations of any of the Management Company’s duties or obligations under the management agreement, should be resolved upon with a majority of three quarters of the total number of votes present or represented at the shareholders’ meeting.”

2 JUSTIFICATION

On 2 February 2017, the board of directors appointed Capricorn Venture Partners NV as the “manager of alternative investment funds” of the Company in accordance with article 10 §2 of the Law of 19 April 2014 on alternative investment funds and their managers. By delegating the management of the Company to a management company, the Company has transformed itself from a self-managed investment fund to an externally managed investment fund.

According to article 5 of the new Royal Decree of 10 July 2016 on alternative investment funds investing in non-listed companies and in growth companies, the articles of association of the Company should henceforth mention (i) the name and the registered office of the management company, (ii) the way in which the management company is appointed and dismissed, and (iii) the ways in which such decisions are published. As a consequence, the articles of association of the Company should be amended each time the management company of the Company is dismissed and a new management company is appointed by the board of directors.

According to the proposed decision to amend the articles of association that has been presented to the extraordinary shareholders’ meeting, the board of directors has the competence to decide on the appointment and dismissal of the management company. In such an event, an extraordinary shareholders’ meeting should subsequently be convened in order to amend (new) article 5 of the articles of association with respect to the management company accordingly.

Article 37, paragraph 4 of the Company’s articles of association provides that, for decisions to amend the articles of association, or for which the law requires at least the same special majority of votes, the special majority requirements provided by law should be reached in each class of shares separately. As a consequence, article 37 of the articles of association provides an additional protection, next to the protection already provided by article 558 BCC that requires a special majority for decisions to amend the articles of association, as it requires that the special majority requirement should be reached in each class of shares separately (and not only for the total number of votes present or represented at the meeting).

It appears from the shareholder structure of the Company that certain shareholders of class A and/or class B have, in addition to their shareholdership in the Company and their (eventual) director's mandate, also certain relations with the management company "Capricorn Venture Partners NV", for example because they are shareholder, director and/or perform another function in the latter. As a consequence, in the event the shareholders' meeting would have to decide on the amendment of the articles of association in order to align them with the decision of the board of directors to dismiss Capricorn Venture Partners NV from its function as management company of the Company, a conflict of interests may exist on the part of such shareholders, which might result in a situation whereby the special majority of votes to amend the articles of association cannot be reached in each class of shares separately. Such could especially be the case in the event the board of directors has decided to dismiss Capricorn Venture Partners NV as management company of the Company because of (i) fraud, (ii) actions prohibited by criminal laws, (iii) change of control over the management company within the meaning of the Belgian Companies Code or (iv) serious breaches or violations of any of the management company's duties or obligations under the management agreement, since the management agreement provides that in such an events the Company should not compensate the management company for any costs in relation to the termination of the management agreement.

As the board of directors has the competence to decide on the appointment or dismissal of the management company, whereby under certain circumstances the conflicts of interest procedure should be applied, the decision of the extraordinary shareholders' meeting to amend the articles of association accordingly is rather a decision to implement the decision of the board of directors than a decision on (fundamental) changes in the organization of the Company. In order to prevent that, in the event the board of directors dismisses Capricorn Venture Partners NV as management company of the Company for one of the aforementioned reasons, the articles of association cannot be amended accordingly because the special majority requirements cannot be reached at the level of the shareholders' meeting because of possible conflicts of interests on the part of certain shareholders, the board of directors proposes to deviate for such decisions from the additional protection provided in article 37, paragraph 4 of the articles of association and to provide that the decision to amend the articles of association can in such an event be validly taken with three quarters of the total number of votes present or represented at the shareholders' meeting.

3 CONCLUSION

In light of the above, the board of directors is of the opinion that the proposal to provide an exemption to the principle that the special majority requirement to amend the articles of association should be reached for each class of shares separately, for decisions to amend the articles of association to align them with the decision of the board of directors to dismiss the management company of the Company because of (i) fraud, (ii) actions prohibited by criminal laws, (iii) change of control over the management company within the meaning of the Belgian Companies Code or (iv) serious breaches or violations of any of the management company's duties or obligations under the management agreement, is justified in the context of article 560 of the Belgian Companies Code.

Signed at 2 February 2017.

For the board of directors,

ADP Vision BVBA, represented by its permanent representative Antoon De Proft

René Avonts BVBA, represented by its permanent representative René Avonts

Bart Fransis

Jos B. Peeters

Bernard de Gerlache de Gomery

Godelieve Verplancke

Euro Invest Management NV, represented by its permanent representative Philippe Haspeslagh

Gengest BVBA, represented by its permanent representative Rudi Mariën

Pamica NV, represented by its permanent representative Michel Akkermans

Regine Slagmulder BVBA, represented by its permanent representative Regine Slagmulder

Axxis BVBA, represented by its permanent representative Philippe de Vicq de Cumplich