

MDxHealth SA

Public Limited Liability Company
(*société anonyme faisant appel public à l'épargne*)

CAP Business Center
Zone Industrielle des Hauts-Sarts
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EXPLANATORY NOTE
EXTRAORDINARY GENERAL MEETING
to be held on Monday, June 19, 2017, at 10:30 a.m.

Introduction

This explanatory note has been prepared on behalf of the Board of Directors of MDxHealth SA (the "**Company**") in connection with the various items on the agenda of the extraordinary general shareholders' meeting of the Company to be held on Monday, June 19, 2017. Pursuant to Article 533*bis*, §2, d) of the Belgian Companies Code, this note contains for each of the items on the agenda of the aforementioned extraordinary general shareholders' meeting a proposed resolution or, if the item does not require a resolution, a commentary on behalf of the Board of Directors.

For further information on date, hour and venue of the extraordinary general shareholders' meeting, the manner in which the holders of securities issued by the Company can participate to the meeting and background documentation regarding the meeting, reference can be made to the notice convening the extraordinary general shareholders' meeting.

AGENDA OF THE MEETING

Agenda and proposed resolution: The agenda and the proposed resolutions of the extraordinary general shareholders' meeting of the Company which, as the case may be, can be amended at the meeting on behalf of the Board of Directors, are as follows:

1. Reports – May 2017 Stock Option Plan

Explanation: This agenda item relates to the submission of the special report of the Board of Directors of the Company prepared in accordance with Articles 583, 596 and 598 of the Belgian Companies Code and the special report of the Statutory Auditor prepared in accordance with Articles 596 and 598 of the Belgian Companies Code in connection with the proposal to issue 2,500,000 warrants in the framework of a new warrant plan, called the "May 2017 Stock Option Plan", and the proposal to disapply to preferential subscription rights of the Company's shareholders in connection therewith (see also agenda item 2 below).

Submission and acknowledgment of:

- (a) the special report of the Board of Directors of the Company prepared in accordance with Articles 583, 596 and 598 of the Belgian Companies Code in connection with the proposed issuance of 2,500,000 warrants in the framework of a stock option plan, called the "May 2017 Stock Option Plan", and the proposal to disapply, in the interest of the Company, the preferential subscription right of the Company's shareholders for the benefit of the selected participants, i.e., (mainly) employees, as well as certain Directors and consultants of the Company and its subsidiaries from time to time; and
- (b) the special report of the Statutory Auditor prepared in accordance with Articles 596 and 598 of the Belgian Companies Code in connection with the proposed issuance of 2,500,000 warrants in the framework of the May 2017 Stock Option Plan and the proposal to disapply, in the interest of the Company, the preferential subscription right of the Company's shareholders for

the benefit of the selected participants, i.e., (mainly) employees, as well as certain Directors and consultants of the Company and its subsidiaries from time to time.

2. Approval of a new warrant plan for employees, Directors and consultants

Explanation: This agenda item relates to the proposal to approve the issuance of 2,500,000 warrants in the framework of a new warrant plan, called the "May 2017 Stock Option Plan".

Proposed resolution: The general shareholders' meeting resolves to approve the issuance of 2,500,000 warrants in the framework of a new warrant plan, called the "May 2017 Stock Option Plan", for the benefit of (mainly) employees, as well as certain Directors and consultants (service providers) of the Company and its subsidiaries from time to time, as further described and referred to in the report of the Board of Directors referred to in point 1(a) of the agenda of the meeting. In view thereof, the general shareholders' meeting resolves as follows:

- (a) Terms and conditions of the warrants: The terms and conditions of the warrants (each a "Stock Option") (including but not limited to the exercise price of the Stock Options) shall be as set out in the annex to the special report of the Board of Directors referred to in point 1(a) of the agenda (the "May 2017 Stock Option Plan"), a copy of which shall remain attached to the minutes reflecting the present resolution. The warrants shall have a maximum term of 10 years as of the date of this resolution.
- (b) Underlying shares: Each Stock Option shall entitle the holder thereof to subscribe for one new share to be issued by the Company. The new shares to be issued at the occasion of the exercise of the Stock Options shall have the same rights and benefits as, and rank *pari passu* in all respects with, the existing and outstanding shares of the Company at the time of their issuance, and will be entitled to distributions in respect of which the relevant record date or due date falls on or after the date of issue of the shares.
- (c) Disapplication of the preferential subscription right of the existing shareholders: The general shareholders' meeting resolves to approve the disapplication of the preferential subscription right of the existing shareholders of the Company for the benefit of the intended beneficiaries of the May 2017 Stock Option Plan, whom are mainly the selected employees of the Company and its subsidiaries from time to time, as well as the current and future selected Directors and consultants of the Company and its subsidiaries from time to time, in accordance with the special report of the Board of Directors prepared pursuant to Articles 583, 596 and 598 of the Belgian Companies Code. The current Directors and consultants potentially eligible to be granted warrants in the framework of the May 2017 Stock Option Plan are all identified in the aforementioned special report of the Board of Directors.
- (d) Confirmation of the subscription to the warrants by the Company: The general shareholders' meeting resolves to approve and confirm that the Company shall be able to subscribe for the Stock Options, so as to create a pool of warrants available for subsequent grants to the selected participants. The Company, however, cannot exercise the warrants for its own account.
- (e) Conditional capital increase and issue of new shares: The general shareholders' meeting resolves, subject to, and to the extent of the exercise of Stock Options, to increase the Company's share capital and to issue the relevant number of new shares issuable upon the exercise of the Stock Options as provided for in the report of the Board of Directors in connection with the May 2017 Stock Option Plan. Subject to, and in accordance with, the provisions of the May 2017 Stock Option Plan, upon exercise of the Stock Options and issue of new shares, the aggregate amount of the exercise price of the Stock Options will be allocated to the share capital of the Company. To the extent that the amount of the exercise price of the Stock Option, per share to be issued upon exercise of the Stock Option, would exceed the fractional value of the then existing shares of the Company existing immediately prior to the issue of the new shares concerned, a part of the exercise price, per share to be issued upon exercise of the Stock Option, equal to such fractional value shall be booked as share capital, whereby the balance shall be booked as issue premium. Following the capital increase and issuance of new shares, each new and existing share shall represent the same fraction of the share capital of the Company.

- (f) Issue premium: Any issue premium that will be booked in connection with the May 2017 Stock Option Plan shall be accounted for on a non-distributable account on the liabilities side of the Company's balance sheet under its net equity, and the account on which the issue premium will be booked shall, like the share capital, serve as a guarantee for third parties and can only be reduced on the basis of a lawful resolution of the general shareholders' meeting passed in the manner required for an amendments to the Company's articles of association.
- (g) Powers of attorney: The Board of Directors is authorised to implement and execute the resolutions passed by the general shareholders' meeting in connection with the Stock Options, and to take all steps and carry out all formalities that shall be required by virtue of the terms and conditions of the Stock Options, the Company's articles of association and applicable law in order to issue or transfer the shares upon exercise of the Stock Options. Furthermore, each of the Company's Directors, acting singly, shall have the power, upon exercise of the Stock Options, to proceed with the recording of (i) the capital increase and issue of new shares resulting from such exercise, (ii) the allocation of the share capital and (as applicable) the issue premium, and (iii) the amendment of the Company's articles of association in order to reflect the new share capital and number of outstanding shares following the exercise of the Stock Options.
- (h) Waivers: As far as needed and applicable, the general shareholders' meeting acknowledges that the warrants to be granted under the May 2017 Stock Option Plan as well as the other outstanding warrants granted under the currently outstanding plans shall not be considered as "variable remuneration", nor as "fixed remuneration" or "annual remuneration", pursuant to Articles 520ter, 524bis, 525 and 554 (as applicable) of the Belgian Companies Code (and equivalent or similar provisions of the Belgian Corporate Governance Code of 12 March 2009) and Provision 7.7 of the Belgian Corporate Governance Code of 12 March 2009.
- (i) Approval pursuant to Article 556 of the Belgian Companies Code: The general shareholders' meeting resolves to take note, approve and ratify, in as far as necessary in accordance with Article 556 of the Belgian Companies Code, all clauses included in the May 2017 Stock Option Plan which, in accordance with Article 556 of the Belgian Companies Code, entail rights to third parties that have an impact on the Company's equity, or that give rise to a liability or an obligation of the Company whereby the exercise of such rights is dependent upon a public takeover bid over Company's shares or a change of control over the Company, including without limitation, the automatic accelerated vesting mechanism in case of a take-over as defined in the May 2017 Stock Option Plan. The general shareholders' meeting further grants a special power of attorney to each Director of the Company, acting singly and with the power of substitution, to perform the formalities required by Article 556 of the Belgian Companies Code with respect to this resolution.

3. Amendments of the articles of association

Explanation: This agenda item relates to the proposal to modify Article 33 of the Company's Articles of Association.

The Board of Directors proposes to amend Article 33 of the Company's articles of association in order to change the day of the annual general shareholders' meeting from a Friday to a Thursday. Should such day be a Belgian public holiday, the Board of Directors recommends to include the possibility to convene the annual general shareholders' meeting on the preceding business day.

Proposed resolution: The general shareholders' meeting resolves to amend the first and second paragraphs of Article 33 of the Company's articles of association in order to change the day of the annual general shareholders' meeting from a Friday to a Thursday. As a result, the general shareholders' meeting resolves to restate the first and second paragraphs of Article 33 of the Company's articles of association as follows:

"The annual general shareholders' meeting must each year be convened on the last Thursday of May at ten o'clock. If this day would be a Belgian public holiday, the annual general shareholders' meeting shall be held on the Business Day immediately preceding such Thursday.

In these articles of association, "Business Day" shall mean any calendar day, with the exception of Saturdays, Sundays and Belgian public holidays."

* * *

Done on May 31, 2017

On behalf of the Board of Directors