

MDXHEALTH SA

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

CAP Business Center
Zone Industrielle des Hauts-Sarts
Rue d'Abhooz 31
4040 Herstal
Belgium

Registered with the Register of Legal Persons
VAT BE 0479.292.440 (RLP Liège, Division Liège)

**SPECIAL REPORT OF THE BOARD OF DIRECTORS
IN ACCORDANCE WITH ARTICLES 583, 596 AND 598
OF THE BELGIAN COMPANIES CODE**

1. INTRODUCTION

This special report (the "**Report**") has been prepared by the Board of Directors of MDxHealth SA (the "**Company**") in accordance with Articles 583, 596 and 598 of the Belgian Companies Code. It relates to the Board of Directors' proposal to issue 3,000,000 warrants, called stock options (the "**Stock Options**"), in order to enable the Company to subsequently grant them to (mainly) employees, as well as certain Directors and consultants of the Company and its subsidiaries (the "**Selected Participants**" as identified below) in the framework of a stock option plan, called the "**2019 Stock Option Plan**", and the proposal to disapply, in the interest of the Company, the preferential subscription right of the shareholders for the benefit of Selected Participants, to be resolved upon by an extraordinary general shareholders' meeting to be held before a notary public (the "**EGM**").

In accordance with Article 583 of the Belgian Companies Code, the Board of Directors provides in this Report a justification for the proposed issuance of Stock Options.

Furthermore, in order to enable the Company to grant the Stock Options to the Selected Participants, the Board of Directors proposes to disapply, in the interest of the Company, the preferential subscription right of the shareholders in favor of the Selected Participants. Therefore, in accordance with Articles 596 and 598 of the Belgian Companies Code, the Board of Directors also explains and clarifies in this Report the proposed disapplication of the preferential subscription right of the shareholders, and more specifically the exercise price of the Stock Options and the financial consequences of the transaction for the shareholders.

This Report must be read together with the special report established by the statutory auditor of the Company in accordance with the Articles 596 and 598 of the Belgian Companies Code.

2. PROPOSED TRANSACTION

The Board of Directors proposes to issue 3,000,000 new Stock Options (warrants) to the Selected Participants, consisting of (mainly) employees, as well as certain Directors and consultants of the Company and its subsidiaries from time to time (as identified below), in order to achieve the following goals:

- (i) encourage and motivate the Selected Participants;
- (ii) enable the Company and its subsidiaries to attract and retain Directors, employees and consultants with the required experience and skills; and
- (iii) link the interests of the Selected Participants closer to the interests of the shareholders of the Company, by providing them with the opportunity to share the increase of value of the Company.

In order to enable the Company to grant the Stock Options to the Selected Participants in accordance with the proposed terms and conditions of the 2019 Stock Option Plan, the Board of Directors proposes to disapply the preferential subscription right of the existing shareholders in favor of the Selected Participants. The issuance of the Stock Options and the resolution on the disapplication of the preferential subscription right shall be submitted to the EGM.

The main terms governing the Stock Options can be summarized as follows:

- (a) Term of the Stock Options: The duration of a Stock Option shall be 10 years as of the date on which they are issued. The Board of Directors shall, however, have the right to shorten such term.
- (b) Form of the Stock Options: The Stock Options shall be issued as warrants in registered form.
- (c) Underlying shares: Each Stock Option shall entitle the Selected Participant 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. All Stock Options together shall, when exercised, entitle the Selected Participants to subscribe to an aggregate number of newly issued shares of the Company, equal to 5.01% of the existing shares representing the share capital of the Company immediately prior to the issuance of the Stock Options (for the calculation of such number of shares, it is assumed that all Stock Options have been fully exercised – see, further below in table 1).
- (d) Shares of 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.
- (e) Disapplication of the preferential subscription right of the shareholders: The Board of Directors proposes to disapply the preferential subscription right of the existing shareholders for the benefit of the Selected Participants in accordance with Articles 596 and 598 of the Belgian Companies Code, as relevant.
- (f) Confirmation of the subscription to the Stock Options by the Company: Subject to the disapplication of the preferential subscription right of the existing shareholders for the benefit of the Selected Participants in accordance with Articles 596 and 598 of the Belgian Companies Code, the Company shall be able to subscribe for the Stock Options, so as to create a pool of Stock Options available for subsequent grants to the Selected Participants. The Company, however, cannot exercise the Stock Options for its own account.
- (g) Issuance price of the Stock Options: The Stock Options will be granted free of charge.

- (h) Exercise price of the Stock Options: The exercise price of a Stock Option shall be determined by the Board of Directors of the Company on the date of the grant thereof.

For each Selected Participant who is not a selected employee of the Company or its subsidiaries, the exercise price shall not be lower than the higher of (i) the average price of the shares on Euronext Brussels during the period of 30 calendar days preceding the date of issuance of the Stock Options by the Company's extraordinary general shareholders' meeting, and (ii) the average price of the shares on Euronext Brussels during the period of 30 calendar days preceding the date of grant of the Stock Options.

For each Selected Participant who is a selected employee of the Company or its subsidiaries, the exercise price shall not be lower than the lower of (i) the price of the shares on Euronext Brussels on the day prior to the date of grant of the Stock Option concerned, and (ii) the average price of the shares on Euronext Brussels during the period of 30 calendar days preceding the date of grant of the Stock Option concerned. For each Selected Participant, the exercise price shall never be less than the fractional value of the shares.

At the date of the issuance of the Stock Options, the current fractional value of the Company's shares is EUR 0.7977 (rounded) per share (see also section 6.3 of this Report).

- (i) Vesting policy: Unless determined otherwise by the Board of Directors, the Stock Options to be granted to a Selected Participant in a capacity other than the capacity of non-executive Director of the Company shall vest in installments of twenty-five percent (25%) per year during a period of four (4) years as of the date of grant, as follows:

- on the first anniversary date of the date of grant: 25%;
- during the second year from the date of grant: maximum 25%, i.e., maximum 50% in total over the first two years after the date of grant;
- during the third year from the date of grant: maximum 25%, i.e., maximum 75% in total over the first three years after the date of grant; and
- as from the fourth year from the date of grant: 25%, i.e., maximum 100% in total over the first four years after the date of grant.

During the second, third, and fourth years after the date of grant, the Stock Options granted to a Selected Participant in any capacity other than that of non-executive Director shall vest on a quarterly basis.

The Board of Directors proposes that starting as from 2019, each non-executive Director shall be entitled to a maximum of 10,000 or (for the Chairman of the Board of Directors) 20,000 Stock Options per annum, it being understood that the Company shall have the possibility to pay to non-executive Directors an equivalent amount in cash in lieu of granting Stock Options. The Stock Options granted to a non-executive Director shall all vest on the date of the annual shareholders' meeting that takes place in the calendar year following the calendar year in which the Stock Options were granted, provided that on the date preceding the date of the former annual general shareholders' meeting the mandate of such non-executive Director has not terminated (without prejudice to section 7.1.3 of the 2019 Stock Option Plan).

- (j) Exercisability: Provided that section 7.1.3 of the 2019 Stock Option Plan is not applicable, all vested Stock Options shall be exercisable during any exercise period as of and from (i) with respect to the Selected Participants qualifying as "Executives" or

"Directors" (as further defined in the 2019 Stock Option Plan), the third anniversary date of the date of grant (the start of the fourth year), and (ii) with respect to the Selected Participants not qualifying as "Executives" or "Directors", the moment where such stock options became vested stock options.

A Selected Participant is allowed to exercise all of his or her vested Stock Options during any exercise period following the exercisability date.

- (k) Transferability of the Stock Options: The Stock Options granted to the Selected Participants will generally not be transferable (except in case of decease in the event of Stock Options granted to a natural person and except if the Board of Directors decides otherwise).
- (l) Exercise of the Stock Options: Each of the Stock Options may be exercised starting as from the date of issuance until 10 years as of the date on which they are issued, at the times and in the manner specified in the 2019 Stock Option Plan.
- (m) Increase of the share capital of the Company: Upon exercise of 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
- (n) Issue premium: Any issue premium that will be booked in connection with the 2019 Stock Option Plan shall serve as a guarantee for third parties, in the same manner as the Company's share capital and shall be booked on an unavailable account that can only be decreased or booked away by a decision of the general shareholders' meeting, deciding in the same way as for a modification of the Company's articles of association.

For a detailed description of the issuance and exercise conditions of the Stock Options, reference is made to Annex A.

For the sake of completeness, it should be noted that the provision of the 2019 Stock Option Plan whereby the not yet vested Stock Options would vest automatically in the event of a Take-Over (as further defined in the 2019 Stock Option Plan) shall be submitted to the extraordinary general shareholders' meeting for approval in accordance with the provisions of Article 556 of the Belgian Companies Code. This matter, together with the approval of the 2019 Stock Option Plan, will be on the agenda of the EGM.

As far as necessary and applicable, the Board of Directors will submit to the EGM for its approval that (i) the Stock Options to be granted will not be considered as "variable remuneration", "fixed remuneration" or "annual remuneration", according to articles 520ter, 524bis, 525 and 554 (as applicable) of the Belgian Companies Code (and any equivalent or similar provision of the Belgian Code on Corporate Governance) (or any successor provision pursuant to any legislation that will apply in the future to the Company) and article 7.7 of the Belgian Code on Corporate Governance, and (ii) the EGM accepts to waive the rule of article 520ter of the Belgian Companies Code whereby a share can be definitively acquired, and a

stock option or any other right to acquire shares can be exercised by a director or a member of the executive management only after three years of their granting.

3. JUSTIFICATION OF THE PROPOSED TRANSACTION

The Board of Directors of the Company deems the proposed issuance of the Stock Options to be in the Company's interest because, on the one hand, it enables the Company to receive new financial resources if and when the Stock Options are exercised and, on the other hand, it enables the Company to offer to the Selected Participants a (potential) participation in the Company's share capital, which, according to the Board of Directors, can be considered an appropriate tool to value the loyalty and motivation of the Selected Participants and to encourage such loyalty and motivation.

The Selected Participants that will be granted Stock Options will also include the Company's non-executive Directors. This is contrary to provision 7.7 of the Belgian Code on Corporate Governance that provides that non-executive Directors should not be entitled to performance-related remuneration such as, amongst others, stock related long-term incentive schemes. The Company is of the opinion that this provision of the Belgian Code on Corporate Governance is not appropriate and adapted to take into account the realities of companies in the life sciences industry that are still in a development and growth phase, such as the Company. Notably, the ability to remunerate independent and other non-executive Directors with Stock Options allows the Company to limit the portion of remuneration in cash that the Company would otherwise need to pay to attract or retain renowned experts with the most relevant skills, knowledge and expertise. The Company is of the opinion that granting non-executive Directors the opportunity to be remunerated in part in stock based incentives rather than all in cash enables the non-executive Directors to link their effective remuneration to the performance of the Company and to strengthen the alignment of their interests with the interests of the Company's shareholders. This is in the interest of the Company and its stakeholders. Furthermore, this is customary for directors active in companies in the life sciences industry, and the granting of Stock Options is in line with the Company's practice over the last few years, as described in the remuneration report (which is part of the Company's annual report).

For a more detailed description of the purpose and the objective of the proposed transaction, reference is made to Article 1 of the 2019 Stock Option Plan attached hereto as Annex A.

4. JUSTIFICATION OF THE PROPOSED ISSUANCE PRICE AND EXERCISE PRICE OF THE STOCK OPTIONS

Pursuant to the terms and conditions of the 2019 Stock Option Plan, the Stock Options will be granted to the Selected Participants without any further consideration.

The exercise price of the Stock Options shall be determined as summarized in section 2(h) of this Report. For detailed information regarding the conditions concerning the price and the exercise price of the Stock Options, reference is made to Articles 5.1 and 5.2 of Annex A.

The Board of Directors considers the proposed exercise price of the Stock Options to be justified since (amongst other things) the exercise price as determined above has as a consequence that the shares to be issued following the exercise of the Stock Options will not be issued at a discount relative to the average of the closing prices of the shares of the Company during the thirty (30) calendar day period preceding the date of grant of the Stock Options (or, with respect to Selected Participants who are not an employee of the Company or its subsidiaries, the date of issuance of the Stock Options), which limits the potential financial dilution to a certain extent, and considering that it enables the Company to obtain additional cash resources as mentioned above and further described below.

Whether or not a Stock Option will be exercised depends on the (sole) decision of the holder of the Stock Option. Such decision will depend on the price of the share of the Company at the moment of exercise as compared with the exercise price of the Stock Option, since essentially, the holder can realize a capital gain at the exercise of the Stock Option if the price of the share of the Company at that moment is higher than the exercise price of the Stock Option (not taking into account the possible tax related costs and assuming that the holder of the Stock Option can sell the underlying share at such price on the market).

Upon exercise of the Stock Options, the exercise price shall be booked as share capital and issue premium as further described in section 6.3 of this Report.

5. JUSTIFICATION OF THE DISAPPLICATION OF THE PREFERENTIAL SUBSCRIPTION RIGHT

The Board of Directors proposes to issue 3,000,000 Stock Options, to be offered to the Selected Participants, in accordance with the terms and conditions of the 2019 Stock Option Plan.

The Stock Options are proposed to be issued under the form of warrants. Each Stock Option shall entitle the Selected Participant to acquire one (1) share of the Company, to which the same rights and benefits as the outstanding shares of the Company are attached. All Stock Options together entitle the holders thereof to subscribe for an aggregate 3,000,000 new shares of the Company, which equals to 5,01% of the existing shares representing the share capital of the Company immediately prior to the issuance of the Stock Options (assuming all the granted Stock Options are fully exercisable and exercised under the terms and conditions of the 2019 Stock Option Plan).

In order to be able to offer the Stock Options to the Selected Participants in accordance with the proposed terms and conditions of the 2019 Stock Option Plan, the Board of Directors proposes to disapply the preferential subscription right of the existing shareholders.

The Selected Participants, who are not selected employees of the Company and its subsidiaries, for the benefit of whom the Board of Directors proposes to disapply the preferential subscription right of the existing shareholders are all of the current and future non-executive Directors and consultants of the Company and its subsidiaries. The current non-executive Directors and consultants of the Company, and (as relevant) their permanent representative, are the following:

	Name	Capacity
1.	Ahok BVBA, represented by its permanent representative, Mr. Koen Hoffman	Director
2.	LabDx LLC, represented by its permanent representative, Mr. Walter Narajowski	Director
3.	Hilde Windels BVBA, represented by its permanent representative, Mrs. Hilde Windels	Director
4.	Qaly-Co BVBA, represented by its permanent representative, Mrs. Lieve Verplancke	Director
5.	Gengest BVBA, represented by its permanent representative, Mr. Rudi Mariën	Director
6.	Valiance Advisors LLP, represented by its permanent representative, Mr. Jan Pensart	Director

6. CERTAIN FINANCIAL CONSEQUENCES OF THE PROPOSED TRANSACTION FOR THE SHAREHOLDERS

The following paragraphs provide an overview of certain of the financial consequences of the proposed transaction. For further information, reference is also made to the report prepared in accordance with Articles 596 and 598 of the Belgian Companies Code by the statutory auditor of the Company, BDO Réviseurs d'Entreprises SCRL, represented by Mr. Gert Claes.

6.1 Introductory comments

The actual financial consequences of the proposed issuance of the Stock Options cannot yet be accurately determined, as the final exercise price of the respective Stock Options is still to be determined and will depend on the price of the Company's shares on Euronext Brussels prior the time of the grant of the Stock Options and (for some Stock Options) also prior the time of the issuance of the Stock Options (see section 2 (h) of this Report). In addition, whether or not certain financial consequences will materialize will depend on whether the Stock Options will ultimately be exercised, which is a decision that solely rests with the holders of the Stock Options.

Accordingly, the discussion herein of the financial consequences of the proposed transaction for existing shareholders is purely illustrative and hypothetical, and is based on purely indicative financial parameters (where relevant).

6.2 Current capital structure of the Company

On the date of this Report, the share capital of the Company amounts to EUR 47,813,068.45, represented by 59,939,289 shares without nominal value, each representing the same fraction of the Company's share capital, i.e., EUR 0.7977 (rounded). The share capital is entirely and unconditionally subscribed for and is fully paid up.

Furthermore, the following 4,160,875 stock options (issued by the Company as warrants) are still outstanding at the date of this Report (the "**Existing Stock Options**"):

- 65,000 outstanding stock options, issued under the form of warrants on 15 March 2012, ("**March 2012 Stock Options**");
- 450,000 outstanding stock options, issued under the form of warrants on 15 June 2012 ("**May 2012 Stock Options**");
- 1,231,875 outstanding stock options issued under the form of warrants on 23 June 2014 ("**2014 Stock Options**") (of which 66,500 stock options have not yet been granted); and
- 2,414,000 outstanding stock options issued under the form of warrants on 19 June 2017 ("**2017 Stock Options**") (of which 2,008,000 stock options have not yet been granted).

Each of the aforementioned Existing Stock Options entitles the holders thereof to subscribe for one new share of the Company upon exercise of the relevant Existing Stock Option. For the purpose of the full-dilution scenario calculations further below, it is assumed that all of the 4,160,875 outstanding Existing Stock Options (including the 66,500 outstanding 2014 Stock Options and the 2,008,000 2017 Stock Options that can still be granted) have been effectively granted, have vested and are exercisable. On that basis, if all of the 4,160,875 Existing Stock Options were exercised, 4,160,875 new shares would have had to be issued by the Company.

6.3 Evolution of the share capital and participation in the results

The exercise of the new Stock Options during their term will lead to an increase of the share capital and the issuance of new shares of the Company. Specifically, upon exercise of the Stock Options, the share capital of the Company will be increased as follows. Firstly, 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 exercise of the relevant Stock Options), 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. The issue premium, if any, shall serve as a guarantee for third parties in the same manner as the Company's share capital and shall be booked on an unavailable account that can only be decreased or booked away by a decision of the general shareholders' meeting, deciding in the same way as for a modification of the Company's articles of association.

The precise evolution of the share capital will depend (amongst other things) on whether or not the Stock Options (and the Existing Stock Options) will be exercised, taking into account that it is not possible to make accurate predictions in this respect. The exercise of the Stock Options (and the Existing Stock Options) is neither automatic, nor mandatory. It depends upon (amongst other things) the compliance with the terms and conditions governing the issuance and exercise of these securities and the decision of the individual holders of the Stock Options (and the Existing Stock Options). This decision also depends (amongst other things) on the price of the share of the Company as quoted on Euronext Brussels on the date of exercise. To the extent that the trading price of the share of the Company would be lower than the exercise price of the Stock Options (or as applicable, the Existing Stock Options), it will be less attractive for a holder of these Stock Options (or Existing Stock Options) to purchase shares of the Company by exercising these Stock Options (or Existing Stock Options), since, under such circumstances, that would imply from this holder to pay a purchase price exceeding the trading price of the share of the Company. As a result, there is no certainty whether the Stock Options (and the Existing Stock Options) will be exercised or not.

Each share in the Company currently represents an equal part of the share capital of the Company and provides for one vote. The issuance of new shares upon exercise of the Stock Options (and the Existing Stock Options) will lead to a dilution of the existing shareholders of the Company and of the relative voting power of each share in the Company.

The dilution relating to the voting right, also applies, *mutatis mutandis*, to the participation of each share in the profits and liquidation proceeds and other rights attached to the shares of the Company, such as preferential subscription right in case of a capital increase in cash through the issuance of shares.

Specifically, prior to the exercise of a Stock Option, each share will participate equally in the profits and liquidation proceeds of the Company and a preferential subscription right in case of a capital increase in cash. Upon exercise of a Stock Option, the new share to be issued will 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 moment of its 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 share. As a result, the participation by the existing shares in the profit and liquidation proceeds of the Company and the preferential subscription right at a capital increase in cash, shall be diluted.

The evolution of the share capital and the number of securities, with voting rights attached, of the Company as a result of the proposed transaction is simulated below in table 1.

Table 1 – Evolution of the number of outstanding shares ⁽¹⁾

Before exercise of Existing Stock Options	
Outstanding shares	59,939,289
New shares to be issued upon exercise of the 2019 Stock Options.....	3,000,000
Total shares outstanding	62,939,289
Dilution for current shareholders	4.77%
After exercise of Existing Stock Options	
Outstanding shares	59,939,289
New shares to be issued upon exercise of March 2012 Stock Options	65,000
New shares to be issued upon exercise of May 2012 Stock Options	450,000
New shares to be issued upon exercise of 2014 Stock Options	1,231,875
New shares to be issued upon exercise of 2017 Stock Options	2,414,000
Sub-total shares outstanding	64,100,164
New shares to be issued upon exercise of the 2019 Stock Options	3,000,000
Total shares outstanding	67,100,164
Dilution for current holders of securities	4.47%

Note:

- (1) For the purposes of the above simulations, it is assumed that all of the Stock Options and Existing Stock Options have vested, are immediately exercisable, regardless of the relevant terms and conditions and have been exercised. Furthermore, the tax due is not taken into account in the examples mentioned above. It needs to be stressed that the holder of the Stock Options will only be able to realize an effective gain if the capital which he could realize upon the exercise of the Stock Options exceeds the total sum of the taxes due.

The above simulation illustrates the following:

- Currently, each share represents 1/59,939,289 of the current share capital in the amount of EUR 47,813,068.45 or EUR 0.7977 (rounded) per share. Assuming that all 3,000,000 Stock Options are exercised and new shares are issued as a result thereof, the existing shares will no longer represent 1/59,939,289 of the current share capital but 1/62,939,289. This represents a dilution of the participation of the currently existing shares in the share capital and the results of the Company of 4.77%.
- In the event that all Existing Stock Options are exercised and new shares are issued as a result thereof, each share will represent 1/64,100,164 of the current share capital. Assuming that subsequently all 3,000,000 Stock Options are exercised and new shares are issued as a result thereof, the existing shares will represent 1/67,100,164 of the share capital. This represents a dilution as regards the holders of financial instruments of the Company of 4.47%.

Table 2 below reflects the evolution of the share capital, assuming the exercise of all of the 3,000,000 Stock Options and a subsequent issuance of a maximum of 3,000,000 new shares resulting therefrom and a maximum amount of share capital increase of EUR 2,393,075.86 (excluding issue premium). The maximum amount of share capital increase is computed by multiplying the number of new shares to be issued with the fractional value of the Company, i.e., EUR 0.7977 (rounded) per share.

Table 2 – Evolution of the share capital ⁽¹⁾

Before the transaction	
Share capital (in EUR).....	47,813,068.45
Outstanding shares.....	59,939,289
Fractional value (in EUR).....	0.7977
Transaction ⁽²⁾	
Increase of share capital (in EUR) ⁽³⁾	2,393,075.86
Number of new shares issued	3,000,000
After the transaction	
Share capital (in EUR).....	50,206,143.31
Outstanding shares.....	62,939,289
Fractional value (in EUR).....	0.7977

Notes:

- (1) This simulation does not take into account the Existing Share Options.
- (2) For the purposes of this simulation, it is assumed that all of the Stock Options have vested, are immediately exercisable, regardless of the relevant terms and conditions and have been exercised.
- (3) A portion of the exercise price of a Stock Option that is equal to the fractional value of the existing shares of the Company (being EUR 0.7977 (rounded) per share) shall be booked as share capital. The portion of the exercise price of a Stock Option in excess of the fractional value shall be booked as issue premium.

6.4 Participation in the consolidated accounting net equity

The evolution of the consolidated accounting net equity of the Company as a result of the proposed transaction is simulated in table 3 below. The simulation set forth below is based on the following:

- The simulation reflects the evolution of the consolidated accounting net equity of the Company based on the consolidated annual accounts ended on 31 December 2018 (which have been prepared in accordance with the International Financial Reporting Standards or IFRS, as adopted by the European Union). On 31 December 2018, the consolidated accounting net equity amounted to EUR 46,855 (000) (i.e., USD 52,117 (000)¹) or EUR 0.78 per share (based on 59,939,289 outstanding shares on 31 December 2018).
- The simulation does not take into account any changes in the net equity since 31 December 2018, including, notably, the potential effects on the accounting net equity as a result of the capital increase upon the exercise of the Existing Stock Options.
- In scenario (A), it is assumed that the exercise price per share upon the exercise of the Stock Options is EUR 1.45. Accordingly, should all Stock Options be exercised, this would entail the issuance of 3,000,000 new shares for a total cash contribution amounting to EUR 4,350,000.00.

¹ The reporting currency of the Company's financial statements is U.S. dollar. Amounts in U.S. dollar have been converted into euro at the exchange rate of USD 1.1123 for EUR 1.00 as per 25 April 2019.

- In scenario (B), it is assumed that the exercise price per share upon the exercise of the Stock Options is EUR 1.55. Accordingly, should all Stock Options be exercised, this would entail the issuance of 3,000,000 new shares for a total cash contribution amounting to EUR 4,650,000.00.

Based on the assumptions set out above, as a result of the transaction, the Company's accounting net equity on a consolidated basis would be increased as indicated below:

Table 3 – Evolution of the accounting net equity

	Scenario (A) Issuance price of EUR 1.45	Scenario (B) Issuance price of EUR 1.55
Consolidated net equity for FY 2018		
<u>On 31 December 2018</u>		
Net equity (in EUR '000)	46,855	46,855
Outstanding shares.....	59,939,289	59,939,289
Net equity per share (in EUR)	0.78	0.78
<u>Transaction</u>		
Increase of net equity (in EUR) ⁽¹⁾	4,350,000.00	4,650,000.00
Number of new shares issued	3,000,000	3,000,000
<u>After the transaction</u>		
Net equity (in EUR '000) ⁽²⁾	51,205	51,505
Outstanding shares.....	62,939,289	62,939,289
Net equity per share (in EUR) ⁽²⁾	0.8136	0.8183

Notes:

- (1) Consisting of the amount of the capital increase and the amount of issue premium.
- (2) Not taking into account changes in the consolidated net equity after 31 December 2018 (other than the contemplated transaction). The net equity per share is calculated as net equity divided by the number of shares.

Table 3 above illustrates that the issuance of Stock Options (and the subsequent exercise of all of the Stock Options) will, from a pure accounting point of view, lead to an increase of the amount represented by each share in the consolidated accounting net equity of the Company. Notably, the consolidated accounting net equity as per 31 December 2018, would amount to (i) for scenario (A), EUR 0.8136 per share (instead of EUR 0.78 per share), and (ii) for scenario (B), EUR 0.8183 per share (instead of EUR 0.78 per share).

6.5 Financial dilution

As indicated above, the Stock Options will normally be exercised when the exercise price is lower than the trading price of the Company's shares. In that event, the exercise of the Stock Options will in principle entail a financial dilution for the existing shareholders at that time.

Table 4 below provides a simulation of the impact of the transaction on the market capitalization and the resulting financial dilution, assuming a maximum number of 3,000,000 new shares. For the purpose of the simulation, it was further assumed that the market capitalization of the Company at the time of the exercise of the Stock Options would be at EUR 1.50 per share, i.e., a total amount of EUR 89,908,933.50 (i.e., 59,939,289 shares multiplied by EUR 1.50).

- In scenario (A), the exercise price of the Stock Options would be equal to EUR 1.45 per Stock Option. As a consequence, the 3,000,000 Stock Options would be exercised at a price of EUR 1.45, for a total amount of EUR 4,350,000.00.

The market capitalization of the Company after the transaction would be equal to the market capitalization at the date of the transaction (EUR 89,908,933.50) plus the cash consideration of the exercised Stock Options (EUR 4,350,000.00) and would thus equal to EUR 94,258,933.50. As a consequence, the market capitalization per share after the transaction would be equal to EUR 1.4976, i.e., lower than the price used for the calculation of the market capitalization, resulting in a (theoretical) financial dilution of -0.0016%.

- In scenario (B), the exercise price of the Stock Options would be equal to EUR 1.55 per Stock Option. As a consequence, the 3,000,000 Stock Options would be exercised at a price of EUR 1.55, for a total amount of EUR 4,650,000.00.

The market capitalization of the Company after the transaction would be equal to the market capitalization at the date of the transaction (EUR 89,908,933.50) plus the cash consideration of the exercised Stock Options (EUR 4,650,000.00) and would thus equal to EUR 94,558,933.50. As a consequence, the market capitalization per share after the transaction would be equal to EUR 1.5024, i.e., higher than the price used for the calculation of the market capitalization, resulting in a (theoretical) financial dilution of 0.0016%.

Table 4 – Evolution of the market capitalization and financial dilution

	Market capitalization of EUR 1.50	
	Scenario (A) Issue price of EUR 1.45	Scenario (B) Issue price of EUR 1.55
Before the Transaction		
Market capitalization (in EUR)	89,908,933.50	89,908,933.50
Outstanding shares	59,939,289	59,939,289
Market capitalization per share (in EUR).....	1.50	1.50
Transaction		
Total consideration (in EUR)	4,350,000.00	4,650,000.00
Number of new shares issued	3,000,000	3,000,000
Issue price per share (in EUR).....	1.45	1.55
After the Transaction		
Market capitalization (in EUR)	94,258,933.50	94,558,933.50
Outstanding shares	62,939,289	62,939,289
Market capitalization per share (in EUR).....	1.4976	1.5024
Dilution	-0.0016%	0.0016%

6.6 Other financial consequences

Within the framework of the Company's consolidated financial statements in accordance with International Financial Reporting Standards or IFRS, as adopted by the European Union, the Stock Options will be accounted for in accordance with "IFRS 2 – Share-based Payment", using the fair value of the Stock Options. For the purpose of IFRS 2, the fair value of each Stock Option will be measured using the Black & Scholes methodology. This is a typical valuation method for share options. For illustration purposes only, when applying the Black & Scholes model to the Stock Options, the following assumptions could be used: a duration for

the Stock Options of 1,850 days, a risk-free interest rate of 0.445%, a volatility of 75%, and an exercise price of EUR 1.54 per Stock Option. Based on these assumptions, the total value of the Stock Option, to be reflected in the consolidated financial statements, could be estimated, for illustration purposes only, at an aggregate amount of EUR 1,400,000.00, or EUR 0.933 per Stock Option. This amount would then be charged over the vesting period of the Stock Options in the Company's consolidated financial statements. The actual amount will ultimately depend on the actual exercise price of the relevant Stock Options.

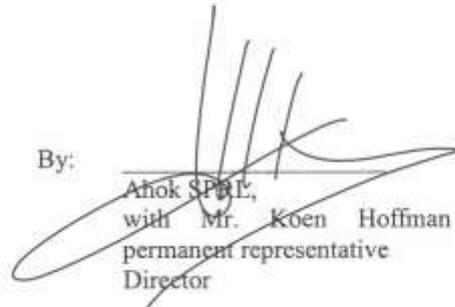
For a further discussion on the financial consequence of the proposed transaction, the Board of Directors refers to the special report prepared in connection therewith by the statutory auditor of the Company.

* * *

Done in Herstal, on 26 April 2019.

On behalf of the Board of Directors,

By: 
Mr. Michael K. McGarrity
CEO

By: 
Anok SPRL,
with Mr. Koen Hoffman as
permanent representative
Director

Free English translation - For information purposes only

ANNEX A

**ISSUANCE AND EXERCISE CONDITIONS OF THE
2019 STOCK OPTION PLAN**



Free English translation

This English version of the 2019 Stock Option Plan of MDxHealth SA is a free translation of the original French version. In case of discrepancies between the original French version and this English version, the original French version shall prevail.

2019 STOCK OPTION PLAN

MDxHealth SA

MDxHealth SA • Rue d'Abhoos 31 - CAP Business Center, 4040 Herstal, Belgium
www.mdxhealth.com • Tel (+32) 4 366 98 60 • Fax (+32) 4 366.98 61
VAT BE 0479.292.440 (RLP Liège) • ING Bank 310-1801580-85

ARTICLE 1 – PURPOSE OF THE PLAN

This 2019 Stock Option Plan (the "Plan") describes the general terms and conditions of the Stock Options that the Company may grant to the Selected Participants.

The aim of the Plan is to realize the following corporate and human resources goals:

- (i) encourage and motivate the Selected Participants;
- (ii) enable the Company and its Subsidiaries to attract and retain directors, employees and consultants with the required experience and skills; and
- (iii) link the interests of the Selected Participants closer to the interests of the shareholders of the Company by giving them the opportunity to share in the increase of the value of the Company.

ARTICLE 2 – DEFINITIONS AND INTERPRETATION

The following terms shall have the following meaning for the purpose of the Plan:

<i>Beneficiary</i>	With respect to a natural person, a person validly designated by the Selected Participant, being either his/her spouse or legal heirs, in order to exercise the rights of the Selected Participant under the Plan after the death of the Selected Participant. Designation, revocation and re-designation of a Beneficiary must be done in writing in accordance with the applicable law. In the absence of any valid designation, the heirs of the Selected Participant in accordance with the applicable law of inheritance shall be deemed to be the Beneficiary. In the event that there are several heirs, all heirs acting jointly or one person designated by all heirs acting jointly shall be deemed to be the Beneficiary.
<i>Board of Directors</i>	The board of directors of the Company.
<i>Company</i>	MDxHealth SA, a company established under Belgian law, having its registered office at Rue d'Abhooz 31 - Cap Business Center, 4040 Herstal, Belgium, registered with the register of legal persons under number 0479.292.440.
<i>Consultant</i>	Any person or legal entity that is not an employee of the Company or a Subsidiary and that is performing services for the Company or a Subsidiary.
<i>Control</i>	The possibility <i>de facto</i> or <i>de jure</i> to exercise a decisive influence over the appointment of the majority of the members of the Board of Directors or the general orientation of the Company, as determined in Article 5 and following of the Belgian Companies Code.
<i>Date of Grant</i>	The date on which the offer of the Stock Options to a Selected Participant is made.

<i>Date of Issuance</i>	The date on which the Stock Options will be issued, i.e. 29 May 2019, or in case of absence of the required quorum at such meeting, 21 June 2019.
<i>Date of Termination of the director's mandate, the employment or consultancy agreement</i>	The effective date of termination of the director's mandate, the employment agreement, or as applicable, the consultancy agreement for whatever reason, with the exception of a termination of a consultancy agreement immediately followed by the signing of an employment or a new consultancy agreement with the Company or a Subsidiary, a termination of an employment agreement immediately followed by the signing of a new employment or consultancy agreement with the Company or a Subsidiary, and the termination of a director's mandate immediately followed by the re-appointment of such director as Director the Company or a Subsidiary.
<i>Director</i>	A member of the board of directors of the Company or a Subsidiary.
<i>Employee</i>	An individual having an employment agreement of an indefinite term with the Company or a Subsidiary.
<i>Executive</i>	Any person responsible for the general management of the Company within the meaning of Article 96, §3, 11° of the Belgian Companies Code.
<i>Exercise Period</i>	The period during which the Selected Participant can exercise the Stock Options granted to him/her, provided and to the extent that the Stock Options are exercisable in accordance with the conditions set forth in the Plan and in any other arrangement that may exist between the Selected Participant and the Company.
<i>Exercise Price</i>	The price at which each Share subject to a Stock Option may be acquired/subscribed to upon the exercise of that Stock Option.
<i>Extraordinary General Shareholders Meeting</i>	The extraordinary general shareholders' meeting held before a notary public at the occasion of which the Stock Options are issued by the Company.
<i>Notification</i>	A letter sent to the official domicile or registered office of the addressee by means of (i) a courier with notice of receipt or (ii) a registered letter. The date of the Notification is: (i) the date of signing for receipt or, in the absence thereof, (ii) the postmarked date of the registered letter.
<i>Plan</i>	The present 2019 Stock Option Plan.
<i>Selected Consultant(s)</i>	Consultant(s) to whom Stock Options will be granted under this Plan.
<i>Selected Director(s)</i>	Director(s) to whom Stock Options will be granted under this Plan.
<i>Selected Employee(s)</i>	Employee(s) to whom Stock Options will be granted under this Plan.

<i>Selected Participant(s)</i>	The Selected Directors, the Selected Employees, and/or the Selected Consultants, it being understood that the Stock Options issued under this Plan shall mainly be offered to Selected Employees.
<i>Share</i>	A share of the Company, representing the share capital of the Company.
<i>Stock Option</i>	A warrant issued by the Company entitling the Selected Participant to acquire/subscribe to a Share pursuant to the Plan during a certain period at a certain price.
<i>Stock Option Price</i>	The price, if any, which the Selected Participant owes to the Company for the acquisition of the Stock Option itself.
<i>Subsidiary</i>	Any company or organization which is directly or indirectly under the Control of the Company.
<i>Take-Over</i>	The official notification by the FSMA of a take-over bid within the meaning of Article 3 § 1, 1° of the Belgian Act of April 1 st , 2007 on takeover bids (or within the meaning of any other subsequent legislation replacing, amending or completing the foregoing).
<i>Transfer – Transferring</i>	Any transaction under living persons which has as its purpose the sale, purchase, granting or taking of options, exchange, waiver, contribution to a company, transfer in any manner whether or not for consideration, the giving of payment or pledge, or the acceptance of payment or pledge, or generally any agreement which has as its object an immediate or future transfer of title.
<i>Vested Stock Options</i>	Stock Options that have become definitely acquired by the Selected Participant in accordance with the conditions set forth in the Plan, without prejudice to the possibility that the Stock Options become void in cases where they are not exercised or can no longer be exercised pursuant to certain conditions.

Except insofar as the context otherwise requires, (i) words denoting the singular shall include the plural and vice versa and (ii) words denoting the masculine gender shall include the feminine gender and vice versa.

ARTICLE 3 - TYPE AND NUMBER OF STOCK OPTIONS

The total number of Stock Options issued under the Plan is 3,000,000 (three million).

Each Stock Option shall entitle a Selected Participant to acquire one (1) Share.

The new Shares 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.

A new Share shall represent the same fraction of the capital of the Company as the other

outstanding Shares of the Company.

ARTICLE 4 - ADMINISTRATION

The Board of Directors shall administer the Plan. The Board of Directors shall have the possibility to delegate its powers or certain of its powers to certain persons of the management and/or to certain committees that may be established by the Board of Directors, in compliance with the Belgian Companies Code and the Company's Charter of Corporate Governance.

Subject to the provisions of the Plan and in as far as the decisions are in line with the purpose of the Plan, the Board of Directors is entitled to determine, define and interpret all rules, regulations or other measures required or desirable for the administration of the Plan.

ARTICLE 5 - CONDITIONS OF THE STOCK OPTIONS

5.1 Stock Option Price

Except where the Board of Director decides otherwise, on a one to one basis, the Selected Participant shall owe no Stock Option Price to the Company upon subscription to, or acceptance of, the Stock Options.

5.2 Exercise Price

The Exercise Price of a Stock Option shall be determined by the Board of Directors of the Company on the Date of the Grant thereof. For each Selected Participant, the Exercise Price shall never be less than the fractional value of the Shares at the Date of Issuance, i.e., (rounded) EUR 0.7977. For each Selected Participant who is not a Selected Employee, the Exercise Price shall not be lower than the higher of (i) the average price of the Shares on Euronext Brussels during the period of 30 days preceding the Date of Issuance and (ii) the average price of the Shares on Euronext Brussels during the period of 30 days preceding the Date of Grant of the Stock Options. For each Selected Participant who is a Selected Employee, the Exercise Price shall not be lower than the lower of (i) the price of the Shares on Euronext Brussels on the day prior to the Date of Grant and (ii) the average price of the Shares on Euronext Brussels during the period of 30 days preceding the Date of Grant.

Upon exercise of 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

5.3 Term (duration) of the Stock Options

The duration of a Stock Option shall be ten (10) years as of their Date of Issuance. However, the Board of Directors shall have the right to shorten this term.

5.4 Registered nature

The Stock Options are and shall remain registered, and shall be entered in the register of warrant holders that shall be held at the registered office of the Company. The Stock Options may not be converted into bearer Stock Options. The Company shall deliver to each Selected Participant and Beneficiary, free of charge, a certificate confirming that the Participant or Beneficiary is duly registered in the register of warrant holders as owner of the Stock Options.

5.5 Rights as a shareholder

The Selected Participant (in his or her capacity as holder of a Stock Option) is not a shareholder of the Company, nor shall he or she have any rights or privileges, which as a rule belong to a shareholder of the Company, as long as the Stock Options have not been exercised.

ARTICLE 6 – TRANSFER OF THE STOCK OPTIONS

6.1 Decease

In case the holder of a Stock Option is a natural person, the following will apply: in the event of the decease of a Selected Participant, all Stock Options (including the Vested Stock Options at the time of decease) shall be transferred to the Beneficiary of the Selected Participant and shall be (or remain as far as the Vested Stock Options are concerned) exercisable at the time and under the terms established in this Plan.

6.2 Transferability of the Stock Options

Except for the transfer contemplated under Article 6.1 above and except if the Board of Directors were to allow a transfer of the Stock Options, the Stock Options cannot be Transferred by a Selected Participant once they have been granted to a Selected Participant.

ARTICLE 7 - EXERCISE OF THE STOCK OPTIONS

Stock Options can only be exercised during an Exercise Period (as specified in Article 7.2 below) provided and to the extent that they have become Vested Stock Options and have become exercisable (in accordance with Article 7.1 below) prior to or during a certain Exercise Period.

7.1 Vesting and exercisability of the Stock Options

The vesting schedule of a Stock Option, *i.e.* the dates and conditions upon which it shall become a Vested Stock Option, shall be as set forth in this Plan, except where, for Stock Options granted to Selected Participants in any capacity other than the capacity of Selected Directors, the Board of Directors determines otherwise and, for Stock Options granted to Selected Participants in their capacity of Selected Directors, the general shareholders' meeting determines otherwise. The vesting schedule and the period before a Stock Option can become exercisable can therefore be shorter than the periods as referred to below in this Article 7.2.

7.1.1 General vesting mechanism of the Stock Options

Unless otherwise determined by the Board of Directors, the Stock Options subscribed for by a Selected Participant in any capacity other than the capacity of Selected Director shall vest, *i.e.*

become Vested Stock Options, in installments of twenty-five percent (25%) per year during a period of four (4) years as of the Date of Grant, as follows:

- on the first anniversary date of the Date of Grant: 25%;
- during the second year from the Date of Grant: maximum 25%, i.e. maximum 50% in total over the first two years after the Date of Grant;
- during the third year from the Date of Grant: maximum 25%, i.e. maximum 75% in total over the first three years after the Date of Grant;
- as from the fourth year from the Date of Grant: 25%, i.e. maximum 100% in total over the first four years after the Date of Grant.

During the second, the third, and the fourth years after the date of Grant, the Stock Options subscribed to by a Selected Participant in any capacity other than that of non-Executive Selected Director shall vest on a quarterly basis, *i.e.* for an amount that bears the same proportion to the maximum amount of Stock Options that can vest during that period as the number of (full) quarters that have passed during said given period bears to the total number of quarters of that period. For example, one year and seven months after the Date of Grant, a maximum of 37.5% of the Stock Options granted to a Selected Participant could be Vested Stock Options.

Starting as from 2019, each non-executive Director shall have an entitled to a maximum of 10,000 or (for the Chairman of the Board of Directors) 20,000 Stock Options per annum, and it being understood that the Company shall have the possibility to pay to non-executive Directors an equivalent amount in cash in lieu of granting Stock Options. The Stock Options granted to a non-Executive Director shall all vest, *i.e.* become Vested Stock Options, on the date of the annual shareholders' meeting that takes place in the calendar year following the calendar year where the Stock Options were granted, provided that on the date preceding the date of the former annual shareholders' meeting the mandate of such non-Executive Director has not terminated (without prejudice to section 7.1.3 of the Plan).

Notwithstanding the foregoing, all Stock Options subscribed for by a Selected Participant shall automatically vest (if not yet vested) and become Vested Stock Options in the event of a Take-Over.

7.1.2 Exercisability of the Stock Options

The Selected Participants are allowed to exercise any Vested Stock Options during any Exercise Period as of and from, (i) with respect to Selected Participants qualifying as Executives or Directors, the third anniversary of the Date of Grant (the start of the fourth year) and (ii) with respect to Selected Participants not qualifying as Executives or Directors, the moment where such Stock Options became Vested Stock Options. The rules set forth in section 7.1.3. below however prevail over the rules set forth in this section 7.1.2.

7.1.3 Consequences of termination of a director's mandate, an employment agreement or a consultancy agreement

Without prejudice to the provisions of the following paragraphs and unless otherwise determined by the Board of Directors or the Chief Executive Officer (Managing Director) of the Company, when (i) with respect to Directors, the director's mandate of a Selected Director is terminated for other reasons than for breach of his duties as a Director, (ii) with respect to Employees, the employment agreement of a Selected Employee is terminated for other reason than for serious cause, or (iii) with respect to Consultants, the consultancy agreement of the Selected Consultant is terminated for other reasons than breach of said agreement, in each such case the Selected Participant may exercise all his Stock Options that have become Vested Stock Options at the Date of Termination of the director's mandate, the employment

agreement or, as applicable, the consultancy agreement, at the times and in accordance with the conditions set forth in the Plan, (i) with respect to Selected Participants qualifying as Executives or Directors, within a period starting as set forth in section 7.1.2. and expiring on the later of (a) the fourth anniversary of the Date of Grant and (b) one year as from the Date of Termination of the director's mandate, the employment agreement or, as applicable, the consultancy agreement, and (ii) with respect to Selected Participants not qualifying as Executives or Directors, within a period of one year as from the Date of Termination of the employment agreement or, as applicable, the consultancy agreement.

The Vested Stock Options that are not exercised within the period referred to in the previous paragraph shall automatically lapse and become null and void. The Stock Options that have not become Vested Stock Options at the Date of Termination of the director's mandate, the employment agreement or, as applicable, the consultancy agreement automatically lapse and become null and void.

Upon termination of a Selected Director's mandate for breach of his duties as a Director, a Selected Employee's employment agreement for serious cause or, a Selected Consultant's consultancy agreement for breach of said agreement, all Stock Options shall, unless determined otherwise by the Board of Directors, whether vested or not, automatically become definitely unexercisable as from the Date of Termination of the Director's mandate, the employment agreement or as applicable, the consultancy agreement.

7.1.4 Consequences of legal retirement, disability or serious disease

In case the holder of a Stock Option is a natural person, the following will apply: in the event of termination of the director's mandate, the employment agreement, or as applicable, the consultancy agreement of the Selected Participant as a consequence of legal retirement, disability or serious disease, the (at that time) Vested Stock Options shall remain exercisable for the remaining term of the Stock Options pursuant to the terms and conditions set forth in the Plan.

7.2 Exercise Period

Vested Stock Options can only be exercised during the following periods: during the term of the Stock Options, between March 1 and March 31 and between September 1 and September 30. Each Exercise Period shall close on the last banking day of the particular Exercise Period.

The Board of Directors may, however, in its absolute discretion, provide for additional Exercise Periods and do so for instance in case of a Take-Over (*i.e.* in case all Stock Options automatically vest in accordance with 7.1.1 *in fine* above).

7.3 Partial exercise

A Selected Participant may exercise all or part of his/her Vested Stock Options. However, it is not possible to exercise a Stock Option with respect to fractions of Shares.

7.4 Exercise procedure

A Stock Option shall be deemed to have been exercised upon receipt by the Company, at the latest on the last banking day of the Exercise Period, of:

- (i) a Notification signed by the Selected Participant and stating that a Stock Option or a specified number of Stock Options is exercised;

- (ii) evidence of complete payment of the Exercise Price, within thirty (30) calendar days following the last banking day of the Exercise Period in which the Stock Options were exercised, for the number of Shares as indicated in the Notification provided sub (i), by bank transfer to a blocked account of the Company whose number is communicated by the Company;
- (iii) in the event that a Stock Option is exercised by a person or persons other than the Selected Participant, suitable proof of the right of this person or these persons to exercise the Stock Option; and
- (iv) Any and all statements and documents, which the Board of Directors deems desirable or necessary in order to comply with all applicable legal and regulatory provisions, and the submission of which the Board of Directors consequently requests.

7.5 Conditions for the issuance of Shares

- 7.5.1 The Company shall only be obliged to issue the Shares as a result of the exercise of the Stock Options, by registration in the Company's share register or any other manner prescribed by the Belgian Companies Code, after all of the preceding conditions set forth in Article 7.4 have been fulfilled and following the completion of the capital increase mentioned below.
- 7.5.2 The Board of Directors, or two members thereof, shall, in accordance with Article 591 of the Belgian Companies Code (or any other provision having the same purport), have the capital increase, resulting from the exercise of the Stock Options, and the fully paid in Shares thus subscribed for, acted before a notary public within 60 days after the closing of the Exercise Period in which the Stock Options were exercised.
- 7.5.3 If the Company is at that time listed on a regulated or public market, the Company shall make application to the stock exchange in question for such Shares to be admitted for listing.
- 7.5.4. The Company may at its discretion postpone the delivery of the Shares, if this is necessary in order to comply with the applicable regulations or provisions of whatever nature, including but not limited to public offer, registration and other obligations with respect to the Shares of the Company, as the Company deems appropriate.

ARTICLE 8 – CHANGE IN THE CAPITAL STRUCTURE OF THE COMPANY – EXERCISE OF THE STOCK OPTIONS BY VIRTUE OF LAW

8.1 Change in the capital structure of the Company

Contrary to Article 501 of the Belgian Companies Code, the Company explicitly reserves the right to take all possible decisions and to enter into all possible transactions that may have an impact on its capital, on the distribution of profits or on the distribution of liquidation proceeds or that may otherwise affect the rights of the Selected Participants.

Should the rights of the Selected Participant be affected by such decision or transaction, then the Selected Participant shall not be entitled to a change of the Exercise Price, a change of the exercise conditions or any other form of (financial or other) compensation, unless such a decision or transaction would have as its main purpose to prejudice the rights of the holders of

the Stock Options.

In case of a merger, de-merger or stock split of the Company, the rights of the outstanding Stock Options and/or Exercise Price of the Stock Options, shall be adapted in accordance with the conversion ratios applied on the occasion of the merger, de-merger or stock split to the other shareholders.

8.2 Exercise of the Stock Options by virtue of Law

If a Stock Option which is not exercisable or which cannot be exercised pursuant to the issuance conditions (as determined in this Plan) becomes prematurely exercisable on the basis of Article 501 of the Companies Code and is also exercised pursuant to said Article, the Shares obtained by exercising the Stock Option shall not be transferable, unless explicitly agreed upon by the Board of Directors, until the time the underlying Stock Options would have become exercisable in accordance with the Plan.

ARTICLE 9 – MISCELLANEOUS

9.1 Taxes and Social Security

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or practice, to withhold from any cash payment made to a Selected Participant, and/or the Selected Participant shall be obliged to pay to the Company or to a Subsidiary (if requested for by the Company or a Subsidiary), the amount of any tax and/or social security contributions, if any, attributable to or payable in connection with the grant, vesting or exercise of any Stock Options or attributable to or payable in connection with the delivery of the Shares.

The Company or a Subsidiary shall also be entitled, in accordance with the applicable law or practice, to make the necessary reporting, required as a result of the grant of Stock Options, their vesting, their exercisability or the delivery of the Shares.

9.2 Costs

Stamp duties and other similar duties or taxes levied upon exercise of the Stock Options and/or the delivery of the new Shares shall be borne by the Selected Participant.

Costs related to the capital increase that shall take place upon the exercise of the Stock Options shall be borne by the Company.

9.3 Applicable law and Competent Courts

Belgian law governs the Plan. Disputes shall fall under the exclusive jurisdiction of the Commercial courts of the jurisdiction where the Company has its registered office.

Stock Options subscribed to in the framework of this Plan shall be governed by and construed in accordance with the Laws of Belgium.

9.4 Notifications

Each Notification to a Selected Participant shall be made to the address mentioned in the register of warrant holders. Each Notification to the Company, a Subsidiary or the Board of

Directors shall be validly made to the address of the registered office of the Company. Address changes must be communicated in accordance with this provision.

9.5 Relation to employment or consultancy agreement

Notwithstanding any provision of the Plan, the rights and obligations of a Selected Participant as determined under the terms of his/her employment agreement, or as applicable, consultancy agreement with the Company or any Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein. A Selected Participant who subscribes to Stock Options pursuant to the Plan shall have no rights to compensation or damages in consequence of the termination of his/her employment agreement or, as applicable, consultancy agreement with the Company or the Subsidiary for any reason whatsoever, insofar as those rights arise or may arise from the termination of the rights which he/she would have or of the claims which he/she could make relating to the exercise of the Stock Options under the Plan as a result of the termination of such employment agreement, or as applicable, consultancy agreement or from the loss or reduction in value of the rights or advantages.