

MDxHealth SA

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

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Zone Industrielle des Hauts-Sarts
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<p style="text-align: center;">EXPLANATORY NOTE ANNUAL AND EXTRAORDINARY GENERAL MEETINGS to be held on Wednesday, 29 May 2019, at 10:00 a.m.</p>

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 annual and extraordinary general shareholders' meetings of the Company to be held on Wednesday, 29 May 2019. Pursuant to Article 533bis, §2, d) of the Belgian Companies Code, this note contains for each of the items on the agenda of the aforementioned annual and extraordinary general shareholders' meetings 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 annual and extraordinary general shareholders' meetings, the manner in which the holders of securities issued by the Company can participate to the meetings and background documentation regarding the meetings, reference can be made to the notice convening the annual and extraordinary general shareholders' meetings.

ANNUAL GENERAL MEETING

Agenda and proposed resolutions: The agenda and proposed resolutions of the annual 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 on the annual statutory financial statements and on the consolidated financial statements

<p><i>Explanation:</i> This agenda item relates to the submission of, and discussion on, the annual report of the Board of Directors and the reports of the Statutory Auditor on the statutory financial statements and on the consolidated financial statements for the financial year ended on 31 December 2018. Copies of these documents are available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary general shareholders' meetings.</p>

Submission of, and discussion on, (a) the combined annual report of the Board of Directors relating to the consolidated and (non-consolidated) statutory financial statements of the Company for the financial year ended on 31 December 2018, (b) the report of the Statutory Auditor relating to the (non-consolidated) statutory financial statements of the Company for the financial year ended on 31 December 2018, and (c) the report of the Statutory Auditor relating to the consolidated statutory financial statements of the Company for the financial year ended on 31 December 2018.

2. Approval of the annual (non-consolidated) statutory financial statements

<p><i>Explanation:</i> This agenda item relates to the approval of the statutory financial statements for the financial year ended on 31 December 2018, and of the proposed allocation of the result. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must decide on the approval of the statutory annual financial statements and the proposed allocation of the Company's profit or loss. A copy of this document is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary general shareholders' meetings.</p>
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meetings.

Submission of, discussion on, and approval of the annual (non-consolidated) statutory financial statements for the financial year ended on 31 December 2018, and approval of the allocation of the result as proposed by the Board of Directors.

Proposed resolution: The general shareholders' meeting resolves to approve the annual (non-consolidated) statutory financial statements of the Company for the financial year ended on 31 December 2018 and to approve the allocation of the annual result as proposed by the Board of Directors.

3. Consolidated financial statements

Explanation: This agenda item relates to the submission of the consolidated financial statements for the financial year ended on 31 December 2018. A copy of this document is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary general shareholders' meetings.

Submission of, and discussion on, the consolidated financial statements of the Company for the financial year ended on 31 December 2018.

4. Discharge from liability of the Directors

Explanation: This agenda item relates to the release from liability for the Directors for the performance of their mandate during 2018. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must each year, after the approval of the statutory financial statements, decide separately on the release from liability of the Directors. For an overview of the Directors who were in office in 2018, reference can be made to the Corporate Governance Statement included in the report of the Board of Directors that is referred to in item 1 of the agenda.

Discharge from liability of the Directors for the exercise of their mandates during the financial year ended on 31 December 2018.

Proposed resolution: The general shareholders' meeting resolves to grant discharge from liability to each of the Directors who was in office during the financial year ended on 31 December 2018, for the performance of its, his or her mandate during that financial year.

5. Discharge from liability of the Statutory Auditor

Explanation: This agenda item relates to the release from liability for the Statutory Auditor for the performance of its mandate during 2018. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must each year, after the approval of the statutory financial statements, decide on the release from liability of the Statutory Auditor.

Discharge from liability of the Statutory Auditor for the exercise of its mandate during the financial year ended on 31 December 2018.

Proposed resolution: The general shareholders' meeting resolves to grant discharge from liability to the Statutory Auditor which was in office during the financial year ended on 31 December 2018, for the performance of its mandate during that financial year.

6. Remuneration report

Explanation: This agenda item relates to the submission of, discussion on and approval of the remuneration report prepared by the Nomination and Remuneration Committee. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must decide separately on the approval of the remuneration report. The remuneration report is included in the annual report of the Board of Directors that is referred to in item 1 of the agenda of the annual general shareholders' meeting.

Submission of, discussion on, and approval of the remuneration report, included in the combined report of the Board of Directors relating to the consolidated financial statements and the (non-consolidated) statutory financial statements of the Company for the financial year ended on 31 December 2018.

Proposed resolution: The general shareholders' meeting resolves to approve the remuneration report for the financial year ended on 31 December 2018.

7. Appointment of Mr. Michael K. McGarrity as Director

Explanation: This agenda item relates to the proposed appointment of Mr. Michael K. McGarrity as Director of the Company for a term of 4 years.

Taking into account the advice of the Nomination and Remuneration Committee, the Board of Directors recommends the appointment of Mr. Michael K. McGarrity as Director of the Company. On 28 February 2019, the Board of Directors appointed Mr. Michael K. McGarrity as Chief Executive Officer (CEO) of the Company. The Board of Directors also appointed Mr. McGarrity as Director of the Company, by means of co-optation, in order to fill the vacancy following the resignation of Dr. Jan Groen as Director. Mr. Michael K. McGarrity will be appointed for a term up to and including the closing of the annual general shareholders' meeting to be held in 2023, which will have decided upon the financial statements for the financial year ended on 31 December 2022. Mr. Michael K. McGarrity has more than 25 years of experience in the healthcare industry with a unique combination of device, diagnostics and biotechnology experience. Michael was most recently the CEO of Sterilis Medical. Prior to Sterilis Michael was the CEO of Nanosphere (NASDAQ: NSPH), a nanotechnology-based molecular diagnostics company, where he engineered an operational and strategic turnaround that resulted in its successful sale to Luminex (NASDAQ: LMNX) in 2016. Prior to Nanosphere, McGarrity spent 13 years at Stryker Corporation (NYSE: SYK).

Proposed resolution: The general shareholders' meeting resolves to appoint Mr. Michael K. McGarrity as Director of the Company for a term up to and including the closing of the annual general shareholders' meeting to be held in 2023, which will have decided upon the financial statements for the financial year ended on 31 December 2022. The mandate of Mr. McGarrity as Director shall not be remunerated.

8. Approvals in accordance with Articles 520ter and 556 of the Belgian Companies Code

Explanation: This agenda item relates to the proposed approvals in accordance with Articles 520ter and 556 of the Belgian Companies Code.

The Company's current CEO, Mr. Michael McGarrity, is remunerated on the basis of his executive management position. Pursuant to the executive employment agreement entered into between Mr. Michael K. McGarrity and MDxHealth, Inc. (a subsidiary of the Company), Mr. McGarrity, as CEO, is entitled to (a) a gross annual base salary of USD 400,000, which will be reviewed by the Board of Directors (or the Nomination and Remuneration Committee) on an annual basis, (b) an annual bonus of up to 50% of the then applicable base salary, (c) the grant of share options, and (d) a one time sign on bonus in the gross amount of USD 85,000. In relation to item (b), the amount and calculation of the actual annual bonus will be based on Mr. Michael McGarrity's and the Company's achievement of performance goals established in advance by the Board of Directors in its sole discretion. In relation to item (c), the stock options vest gradually over a period of three years and can vest earlier in certain cases that could qualify as a change of control (and not only after the expiry of a three year term).

Proposed resolution: With relation to Mr. Michael McGarrity's remuneration, the general shareholders' meeting resolves (i) in relation to the variable remuneration, to waive the rule of Article 520ter, second paragraph *juncto* Article 525 of the Belgian Companies Code (and any successor provisions pursuant to any legislation that will apply in the future to the Company), whereby at least one quarter of the variable remuneration of an executive director in a company whose shares are admitted to trading on a regulated market must be based on predetermined and objectively measurable performance criteria over a period of at least two years and at least another quarter must be based on predetermined and objectively measurable performance criteria over a period of at least three years; (ii) in relation to grants of stock options, to waive the rule of Article 520ter, first paragraph *juncto* Article 525 of the

Belgian Companies Code (and any successor provisions pursuant to any legislation that will apply in the future to the Company), 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; (iii) to grant the Company the possibility to pay to Mr. Michael McGarrity a bonus or award in cash in lieu of (in whole or in part) stock options and, in as far as necessary, waive the rule of Article 520ter, second paragraph *juncto* Article 525 of the Belgian Companies Code (and any successor provisions pursuant to any legislation that will apply in the future to the Company); and (iv) to take note, approve and ratify, in as far as necessary in accordance with Article 556 of the Belgian Companies Code (and any successor provision pursuant to any legislation that will apply in the future to the Company), all clauses included in the executive employment agreement entered into between Mr. Michael K. McGarrity and MDxHealth, Inc. 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 "change of control" as defined in the executive employment agreement. 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.

No quorum: There is no quorum requirement for the deliberation and voting on the respective items referred to in the aforementioned agenda of the annual general shareholders' meeting.

Voting and majority: Subject to applicable legal provisions, each share shall have one vote. In accordance with applicable law, the proposed resolutions referred to in the aforementioned agenda of the annual general shareholders' meeting shall be passed if they are approved by a simple majority of the votes validly cast by the shareholders. Pursuant to Article 537 of the Belgian Companies Code, the holders of warrants have the right to attend the general meeting, but only with an advisory vote.

EXTRAORDINARY GENERAL MEETING

Agenda and proposed resolution: The agenda and 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 – 2019 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 3,000,000 warrants in the framework of a new warrant plan, called the "2019 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 3,000,000 warrants 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 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 3,000,000 warrants in the framework of the 2019 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 3,000,000 warrants in the framework of a new warrant plan, called the "2019 Stock Option Plan".

Proposed resolution: The general shareholders' meeting resolves to approve the issuance of 3,000,000 warrants in the framework of a new warrant plan, called the "2019 Stock Option Plan", for the benefit of (mainly) employees, as well as certain Directors and consultants 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 "2019 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 2019 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 2019 Stock Option Plan are all identified in the aforementioned special report of the Board of Directors. 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.
- (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 2019 Stock Option Plan. Subject to, and in accordance with, the provisions of the 2019 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 2019 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 2019 Stock Option Plan 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) (or any successor provision pursuant to any legislation that will apply in the future to the Company) 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 2019 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 2019 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.

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Done on 26 April 2019,

On behalf of the Board of Directors