



### **PICANOL**

Naamloze Vennootschap (public limited company under Belgian law)  
with registered office at 8900 Ieper (Ypres – Belgium), Steverlyncklaan 15  
Legal district of West Flanders  
Company number 0405.502.362  
Register of Legal Entities of Gent (Ghent), division Ieper  
(the **Company**)

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### **CO-ORDINATION OF THE ARTICLES OF ASSOCIATION on 16 MARCH 2020**

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Incorporated under the name "Maatschappij tot bevordering van de Industrialisatie van de Vlasvezelbereiding in de handel, Gieterij en Werkhuizen Van Steenkiste" pursuant to a deed drawn up by the notary public Reynaert, at the time notary public at Ieper (Ypres – Belgium), on the twenty-second of November nineteen hundred and twenty-eight, published in the annex to the Belgian Official Gazette of the ninth of December nineteen hundred and twenty-eight under number 15.945.

The articles of association were amended pursuant to a deed drawn up by the notary public Jan Platteau in Ieper, acting as a substitute due to the statutory inability *ratione loci* of the notary public François Blontrock, in Brugge (Bruges – Belgium), on 18 April 2012, published in the annex to the Belgian Official Gazette under number 2012-05-08 / 0085874.

The articles of association were amended for the last time pursuant to a deed of the notary public Annelies GHESQUIERE in Ieper, acting as a substitute for the notary public Katrin ROGGEMAN in Brussels on 16 March 2020, deposited for the purpose of publication.

## **ARTICLES OF ASSOCIATION**

### **CHAPTER I. NAME – REGISTERED OFFICE – CORPORATE PURPOSE - TERM**

#### **Article 1.**

The company is a “naamloze vennootschap” (public limited company under Belgian law). It has the name “PICANOL”.

#### **Article 2.**

The registered office is situated in the Flemish Region.

Following a decision of the board of directors, the company can establish administrative offices, branches, agencies and other offices in Belgium and abroad. The company can also be reached through the website [www.picanolgroup.com](http://www.picanolgroup.com) or via the e-mail address [info@picanol.be](mailto:info@picanol.be)

#### **Article 3.**

The company will have the following corporate purpose:

- manufacturing and selling or acting as an intermediary for all products and their components in the following sectors: weaving machines, machines in general, foundry components, electronic components and other components for industrial engineering or any other application, as well as all products and services directly or indirectly relating to the foregoing;
- trading in, acting as an intermediary for and transporting all raw materials, weaving machines, machines and installations, castings, electronic components and other components for industrial engineering, as well as all products and services directly or indirectly relating to the foregoing;
- acquiring, holding and transferring through purchase, contribution, sale, exchange, merger, demerger, subscription, exercise of rights or in any other manner, any participating interests in any enterprises or industries and in any companies, associations, establishments and trusts, either exiting or to be founded; entering into any agreements for cooperation, rationalization, association or any other purpose with the above-mentioned entities;
- providing all services, including administrative, legal, technical and commercial services, services relating to procurement & tenders, risk management, internal control, general management and financial work and studies or management support;
- letting, renting or leasing of machines and buildings,
- coordinating, developing, centralising, registering, acquiring, operating, awarding or transferring all processes, patents and licences;
- coordinating, developing and centralising the financial activities in favour of all or part of the companies of its group, including the hedging of all financial risks, the management of the intra-group accounts and the central treasury management with all financial means, including attracting and centralising funds for and granting loans to affiliated or third companies with the use of own or borrowed funds or by means of re-invoicing or factoring.
- investing in companies through loans or shares, regardless of the activity of these companies.

The company can in general perform all civil or commercial, industrial or financial, moveable or immovable transactions that directly or indirectly, entirely or partly relate

to any aspect of its corporate purpose or that extend or are conducive to the achievement thereof.

The company can achieve its purpose for its own account as well as for the account of third parties, for instance by letting or leasing its facilities or in any other manner.

The company can provide guarantees by granting both personal and real rights in favour of any natural person or legal entity, regardless of whether this person or entity is affiliated with it.

**Article 4.**

The company is incorporated on an indefinite term.

**CHAPTER II. CAPITAL - SHARES**

**Article 5.**

The company's capital amounts to twenty-two million two hundred thousand euro and zero cents (EUR 22,200,000.00) and is represented by seventeen million seven hundred thousand (17,700,000) shares without indication of value.

The capital can also be represented by non-voting shares created by the general meeting or by the board of directors.

**Article 6.**

The capital can be increased on one or more occasions following a decision of the general meeting, deliberating under the conditions required for an amendment to the articles of association.

**Article 7.**

The general meeting, deliberating under the conditions required for an amendment to the articles of association, can grant the board of directors the power to increase the capital on one or several occasions up to a specific maximum amount. This power is valid during a period of five years starting on the day determined by law and can be extended one or several times for one or several periods of five years maximally.

Any capital increase decided by the board of directors within the limits of the authorised capital can be made by a contribution in cash, a non-monetary contribution, a mixed contribution or incorporation of available or unavailable reserves or issue premiums with or without the issue of new shares. Capital increases can also be made by the issue of convertible bonds or bonds with subscription rights, and by the issue of warrants either or not linked to another security.

When making use of its power within the limits of the authorised capital, the board of directors can, in the interest of the company and under the conditions laid down in the Belgian Code of companies and associations, restrict or cancel the shareholders' pre-emption right. This restriction or cancellation can also take place in favour of one or several specific individuals, who may or may not be staff members of the company or its affiliates.

If a capital increase decided by the board of directors includes an issue premium, the amount of this premium, after deduction of the costs, if any, will automatically be entered in the unavailable account called "Issue premiums", which will, like the capital, constitute the guarantee for third parties and which can only be decreased or cancelled by decision of the general meeting, deliberating under the conditions of article 7:208 of the Belgian Code of companies and associations, subject to the right of the board of directors, as determined in the previous paragraph, to convert all or part of this issue premium into capital. In case of a capital increase to which an issue premium is linked, only the amount of the capital increase will be deducted from the remaining usable amount of the authorised capital.

In accordance with a decision of the extraordinary general meeting of 21 February 2020 the board of directors was granted the power, during a period of five years starting on the date of publication of the authorisation in the Annex to the Belgian Official Gazette, to increase the capital on one or several occasions up to a maximum amount of EUR 4,440,000) in accordance with the provisions of the Belgian Code of companies and associations and the provisions of the articles of association.

The board of directors is authorised to proceed to capital increases within the limits of the authorised capital, possibly with restriction or cancellation of the pre-emption right, with the purpose of taking protective measures for the company, even without the context of a possible public takeover bid, to the extent that the company has not yet received any notification relating to a public bid on its shares from the FSMA.

Without prejudice to the possibility to fulfil any obligations that were validly undertaken before receipt of the notification from the FSMA in accordance with article 7:202 of the Belgian Code of companies and associations, the board of directors is authorised, during a period of three years following the authorisation granted by the extraordinary meeting on 21 February 2020, after receipt of a notification from the FSMA relating to a public takeover bid on the company's shares, to proceed to a capital increase within the limits of the authorised capital, possibly with restriction or cancellation of the pre-emption right in favour of one or several individuals as the case may be, under the conditions laid down in article 7:202 of the Belgian Code of companies and associations and the provisions of the company's articles of association.

After each capital increase that came about within the limits of the authorised capital, the board of directors is authorised, with the possibility of substitution, to bring the articles of association in line with the new situation of the capital and the shares.

**Article 8.**

In case of a capital increase by means of a contribution in cash or in case of a issue of convertible bonds or of warrants, the general meeting can decide, in the interest of the company, to restrict or cancel the pre-emption right of the existing shareholders.

**Article 9.**

Any payments on shares not fully paid upon the subscription are to be made at the times determined by the board of directors. Subject to the approval of the board of directors, the shares can be paid up prematurely, either partially or in full, under the conditions laid down by the board.

If a shareholder fails to comply with a call for payment on the shares following notice of one month by registered letter, the board of directors can declare his rights null and void and have his shares sold on the stock exchange, without prejudice to the right to demand the balance due from him, as well as any compensation for damages.

**Article 10.**

Shares that have not been paid up in full are registered shares. Fully paid up shares and other securities of the company are either registered or dematerialized shares within the limits set by law.

The shareholder can at any time and at his own expense request that his shares be converted into registered or dematerialised shares.

Dematerialised shares are represented by an entry into an account, in the name of the owner or the holder, with an officially recognised account holder or with a clearing institution.

A register is kept at the registered office for each category of registered shares. The shareholders can consult the entire register relating to their category of shares.

No transfer of not fully paid registered shares can take place without the prior consent of the board of directors, which is not required to justify their decision.

Operations in connection with the transfer of registered shares or the conversion of shares into any form as mentioned in the first paragraph of this article are suspended on the day of the general meeting and during the period of ten working days preceding this meeting.

The shares are indivisible vis-à-vis the company. If several persons hold rights with respect to one and the same share, the company is entitled to suspend the exercise of the rights attached to that share until one person is designated to act as the owner of the share vis-à-vis the company.

**Article 11.**

Under the conditions determined by law, the company can acquire its own shares, profit-sharing certificates, or certificates relating thereto, by way of a purchase or an exchange, directly or through the intermediary of a person acting in their own name but for the account of the company, following a decision of the general meeting taken in accordance with the applicable requirements as regards quorum and majority. Such decision in particular determines the maximum number of shares, profit-sharing certificates or certificates that can be acquired, the term for which the authorization is granted and which may not exceed five years, as well as the minimum and maximum value of the compensation.

Pursuant to the decision of the extraordinary general meeting of 21 February 2020, the board of directors is authorised, for a period of five years from the publication of the authorisation in the Annex to the Belgian Official Gazette, to repurchase, in accordance with the conditions determined by law, the company's own shares, profit-sharing certificates or certificates relating thereto for the account of the company, of which the total accounting par value, including that of the securities previously acquired by the company and held by it, is not higher than 25% (twenty-five per cent) of the issued capital, at a price ranging between minimum 20% (twenty per cent) below the average closing price of the company's share during the last thirty trading days preceding the board's resolution to acquire such securities and maximum 20% (twenty per cent) above the average closing price of the company's share during the last thirty trading days preceding the board's resolution to acquire such securities, it being understood that the price will never be lower than EUR 50 (fifty euro) or exceed EUR 90 (ninety euro).

The board of directors is in addition explicitly authorised pursuant to the resolution of the extraordinary general meeting of 21 February 2020 to dispose of the acquired shares that are listed, on or outside the stock exchange, without the need for a prior consent or other decision of the general meeting, without prejudice to the fact that the disposal possibilities of the board of directors are further imperatively organized under the new Belgian Code of companies and associations and these shall thus have to be respected in parallel by the company for the remaining period of the authorisation granted by the general meeting within the framework of the acquisition of own shares.

The above-mentioned provisions equally apply to the acquisition or disposal of the company's shares by the company's directly controlled subsidiaries and by persons acting in their own name but for the account of these subsidiaries, in

accordance with the provisions of articles 7:221 and 7:222 of the Belgian Code of companies and associations.

### **CHAPTER III. BOARD OF DIRECTORS - AUDIT**

#### **Article 12.**

The company is administered by a board of directors consisting of at least three members, who may or may not be shareholders, appointed for a maximum period of four years by the general meeting, which can at all times dismiss them.

Resigning directors are eligible for reappointment. The term of office of retiring directors who are not re-elected will end immediately after the ordinary annual meeting.

The audit of the financial situation of the company, of the financial statements and, if applicable, the consolidated financial statements, and the transactions to be represented in the financial statements is entrusted to one or more statutory auditors

The statutory auditors are appointed by the shareholders' meeting, in accordance with the provisions of the Belgian Code of companies and associations, for a period of three years and can be re-elected.

#### **Article 13.**

If the office of a director becomes vacant, the remaining directors are entitled to provisionally fill the vacancy. In such a case, the general meeting will make the final decision to appoint a new director at its next meeting and the director who is thus appointed completes the term of office of the director he is replacing.

#### **Article 14.**

The board of directors elects a chairman among its members.

The board will meet whenever a meeting is deemed necessary, after a convening notice is sent by the chairman or his substitute. A meeting of the board must be convened at the request of two of its members and not later than thirty days following this request.

The board of directors can only deliberate if at least a majority of the members is present or represented.

Every director may by ordinary letter, e-mail or any other (electronic) written means delegate one of his colleagues to represent him at a meeting of the board and to vote there on his behalf; no director may however represent more than two other directors.

Decisions are taken by a simple majority of the votes cast. In the event of an equality of votes, the chairman has a casting vote. In the event that one or several directors, in application of articles 7:96 and 7:97 of the Belgian Code of companies and associations, are not permitted to participate in the deliberations and in the vote, decisions can be validly taken by a majority of the other directors, with the chairman of the meeting having a casting vote in the event of equality of votes.

Any or all of the directors may participate in a meeting of the board of directors by means of telephone, videoconference or other means of communication enabling all persons participating in the meeting to hear each other. Participation in a meeting by such means shall constitute presence in person at such meeting.

The decisions of the board of directors may be taken by unanimous written consent of all the directors, unless the decisions require a notarial deed to be drawn up.

If necessary the board of directors may issue internal rules.

**Article 15.**

The deliberations of the board of directors are reflected in minutes drawn up by the chairman and the secretary and signed by the chairman, as well as by the directors who request to do so.

**Article 16.**

The board of directors has the power to perform all acts necessary or useful for the achievement of the company's purpose, to the exclusion of the acts for which the general meeting is competent according to law.

**Article 17.**

The board of directors is authorised to delegate the day-to-day management of the company and the representation as to this management to one or more persons, who may or may not be directors.

The board may also establish all advisory committees, permanent or not, consisting of members chosen from within or outside the board, and delegate special authorities to agents of its choice, to whom the board may grant a fixed or variable remuneration.

**Article 18.**

The company shall be validly represented towards third parties, and in law and all deeds, including deeds requiring the intervention of a state or public official,

- (i) either by the board of directors,
- (ii) or by two directors acting together.

In addition, the company shall be validly represented either by special authorized agents within the limits of their powers or, within the limits of day-to-day management, by any person who said management has been delegated to by the company.

The persons representing the company in accordance with the above shall, under no circumstances, be required to submit proof to third parties of a prior decision of the board of directors.

**Article 19.**

The general meeting can decide to either determine a global amount for the remuneration of the directors, who shall then divide this amount among themselves, or allocate a fixed and/or variable remuneration to each director individually.

The limitations set out in article 7:91, first and second paragraph of the Belgian Code of companies and associations, do not apply to the company in respect of all persons who fall within the scope of that article, either directly or by reference.

**CHAPTER IV. GENERAL MEETINGS.**

**Article 20.**

The general meeting, duly composed, represents all shareholders. It is authorised to perform and ratify all acts concerning the company. Its resolutions are binding for all shareholders, even for those who are absent, dissident or incapable.

**Article 21.**

Every year, the annual general meeting shall be held on the third Monday of the month of May at 10:00 am at the registered office or any other place indicated in the convening notice.

Should this day be a public holiday, the meeting will be held on the next business day at the same time.

This meeting will hear the reports that are legally required, discuss the financial statements and adopt all resolutions in this respect, deliberate by means of a

special vote on the discharge to be granted to the directors and statutory auditors and, as the case may be, re-elect or replace resigning directors and statutory auditors.

A general meeting can moreover be convened whenever such a meeting is required in the interest of the company.

It must be convened at the request of shareholders who, together, represent at least one tenth of the capital; the request must at least indicate the items of the agenda that are proposed by the shareholders concerned.

**Article 22.**

The convening notices for every meeting include the information required by the Belgian Code of companies and associations and are sent in accordance with that Code.

During an uninterrupted period before the general meeting, which starts on the day of publication of the convening notice for the general meeting, the company shall, via its web site, put the information and documents required by the Belgian Code of companies and associations at the disposal of the shareholders.

**Article 23.**

Unless the law imperatively provides otherwise, resolutions on all matters shall be passed by a majority of the votes cast.

Each share which has been fully paid up and which has been registered in the name of the same shareholder in the register of registered shares for at least two uninterrupted years, regardless of whether or not the register is kept under electronic form, entitles its holder to a double vote in accordance with the Belgian Code of companies and associations. A merger or demerger of the company will not affect the double voting right.

All other shares entitle their holder to one vote at the general meeting.

**Article 24.**

Each owner of shares is entitled to attend general meetings and to vote if and to the extent he has recorded his shares at midnight (Belgian time) on the fourteenth day preceding the general meeting, either by registration in the share register or by registration on the accounts of an officially recognised account holder or of a clearing institution, whereby the number of shares held by the shareholder on the day of the general meeting is irrelevant.

The shareholder shall communicate his intention to attend the general meeting to the company at the latest on the sixth day before the date of the general meeting.

Holders of shares without voting right, profit-sharing certificates without voting right, convertible bonds, warrants or certificates issued with the company's concurrence and holders of bonds who according to the issuing conditions have acquired the right to participate in the general meeting must comply with the same conditions as the holders of shares in order to be admitted to the general meetings.

**Article 25.**

Each shareholder may be represented at the general meeting by a proxy of their choice, to whom a specific power of attorney is granted.

The board of directors may determine the format of the powers of attorney and request that they be submitted within the deadline imposed by the Belgian Code of companies and associations.

**Article 26.**

The general meetings are chaired by the chairman of the board of directors or, in his absence, by one of the directors present designated on site by the majority of the directors. The directors and statutory auditors who are present are



members of the executive board. The chairman will appoint a secretary and two vote counters.

Whenever three shareholders who together represent one tenth of the shares present or represented at the meeting, so request, the vote shall be secret. In the event of a vote for an appointment, if there is no absolute majority after the first voting round, there shall be a second vote between the two candidates who gained the largest number of votes, and in the event of a tie after the second vote, the older will be declared appointed.

An attendance list with the names of the shareholders and the number of shares they represent must be signed by each of them or by their proxies prior to being admitted to the meeting. The shareholders and holders of convertible bonds, registered warrants and holders of registered certificates that are issued with the company's concurrence may as from the convening notice for the general meeting send their questions in writing to the email address of the company. However, the company has to receive the questions in writing at the latest six days before the date of the meeting.

**Article 27.**

Each general meeting, whether ordinary, special or extraordinary, may be adjourned for a maximum of five weeks during the meeting either by a decision of the board of directors, or by a decision (by majority vote) of the executive board, completed in this case by the directors present. This adjournment results in the cancellation of all resolutions already adopted.

The following meeting is authorised to deliberate and adopt final resolutions with regard to the same agenda items. The formalities fulfilled for the purpose of attendance and representation in the first meeting remain valid for the second meeting.

**Article 28.**

The minutes of the general meetings mention, for each resolution, the number of shares for which votes have been validly cast, the percentage of shares validly represented, the total number of votes validly cast, the number of votes cast expressed for and against each resolution and, as the case may be, the number of abstentions. This information shall be published on the company web site within fifteen days following the general meeting.

**CHAPTER V. FINANCIAL STATEMENT – APPROPRIATION OF PROFITS**

**Article 29.**

The financial year starts on the first of January and ends on the thirty-first of December of each year. On the thirty-first of December of each year, the books and documents of the company are closed and the board of directors draws up the financial statements. The financial statements consist of the balance sheet, the income statement and the explanatory notes.

**Article 30.**

Every year an amount equalling at least one twentieth of the net profits will be set aside to constitute a reserve; this obligation ceases to exist as soon as the reserve equals one tenth of the share capital.

Upon a proposal by the board of directors, the ordinary general meeting of shareholders shall decide upon the appropriation of the balance of the profit.

**Article 31.**

Payment of dividends is made at the time and place determined by the board of directors.

The board of directors may decide to pay interim dividends.

## CHAPTER VI. LIQUIDATION

### **Article 32.**

In the event that the company is wound up, the liquidation will be carried out by the members of the board of directors in office unless the general meeting appoints one or several liquidators for this purpose.

### **Article 33.**

Following the settlement of all debts and liabilities of the company, as well as any liquidation costs, or after provisions have been made for these amounts, the net assets will be distributed equally among all shares.

In the event that not all shares are paid up to the same extent, the liquidators will, before proceeding to the distribution, take this difference into account and restore the balance by putting all shares on an equal footing either by calling for additional payments for the shares that are insufficiently paid up, or by making reimbursements to the benefit of the shares paid up to a greater extent.

### **Article 34.**

For the purpose of these articles of association the registered shareholders, directors, statutory auditors and liquidators must elect domicile in Belgium; otherwise they are deemed to have elected domicile at the company's registered office, where all warning notices, summonses and notifications can be validly served.

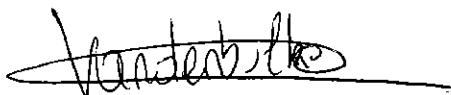
"Voor eensluitende vertaling *ne varietur* van het Nederlands naar het Engels

*A certified true translation from Dutch into English*

Gedaan te Oostende op 13/01/2021"

*Done at Oostende on 13/01/2021*

VTI18547410



Brunhilde Vandenbulcke

Beëdigd vertaler

*Sworn translator*

Gezien in de Federale Overheidsdienst Justitie voor legalisatie

van de handtekening van

Deze legalisatie waarborgt de authenticiteit van de inhoud niet.

Brussel,

De gemachtigde ambtenaar, Camille Verbeke, adm. assistent

