

TER BEKE

limited company that makes a public call on savings
Beke 1
B-9950 Waarschoot

Company number 0421.364.139 (Ghent)
(the 'Company')

**CONVENING NOTICE FOR THE ORDINARY GENERAL MEETING AND
EXTRAORDINARY GENERAL MEETING ON 24 MAY 2017**

The Dutch Version of this convening notice is regarded as the sole official version

The Board of Directors is pleased to invite the shareholders of the Company to attend the ordinary General Meeting and extraordinary General Meeting to be held on Wednesday 24 May 2017 at 11 a.m. and 12 a.m. at the Company's registered office.

The Extraordinary General Meeting will be held in the presence of Mr Frank De Raedt, Notary Public established in Waarschoot, substituting for his colleague Mr Eric Spruyt, Notary Public established in Brussels.

To ensure the smooth registration of shareholders attending, shareholders are kindly requested to report to the Company's head office at least fifteen (15) minutes before the start of the meeting.

I. AGENDA

Agenda of the ordinary General Meeting

The Meeting will deliberate and vote on the following agenda:

- I. Presentation and discussion of the annual report:
 - Report from the Board of Directors
 - Remuneration report
 - Consolidated annual accounts closed per 31 December 2016
 - Annual accounts closed per 31 December 2016
 - Report from the Statutory Auditor

- II. Decisions
 1. Approval of the remuneration report
PROPOSAL FOR DECISION:
The General Meeting approves the remuneration report.

 2. Approval of the statutory annual accounts closed per 31 December 2016 and of the appropriation of profits
PROPOSAL FOR DECISION:
The General Meeting approves the annual accounts closed per 31 December 2016, including the proposed appropriation of profits.

 3. Distribution and dividend payment
PROPOSAL FOR DECISION:
The General Meeting agrees to pay a gross dividend of EUR 3.50 per share qualifying for dividend. The dividend will be made payable on 15 June 2017 (listing ex-coupon: 13 June 2017).

4. Discharge of the directors
PROPOSAL FOR DECISION:
The General Meeting grants discharge to each of the directors for the performance of their duties during the financial year that ended on 31 December 2016.
5. Discharge of the Statutory Auditor
PROPOSAL FOR DECISION:
The General Meeting grants discharge to the Statutory Auditor for the performance of his duties during the financial year that ended on 31 December 2016.
6. Termination of director's mandate
PROPOSAL FOR DECISION:
The mandate of independent director of SA Sparaxis, Avenue Maurice Destenay 13, 4000 Liège, represented by Mr. Thierry Balot, expires at the General Meeting of Shareholders to be held on 24 May 2017. As the mandate of SA Sparaxis has already been extended twice, he can no longer act as an independent director. This mandate will therefore not be extended.
7. Appointment of independent director
PROPOSAL FOR DECISION:
The General Meeting agrees on the appointment of Deemanco BVBA, Sumatrалаan 23, 1180 Brussels, permanently represented by Mr. Dominique Eeman, as independent director as understood in articles 524 and 526ter of the Belgian Company Code, for a period of four years, commencing immediately after the annual General Meeting of 2017 and expiring immediately after the annual General Meeting of 2021.
8. Appointment of independent director
PROPOSAL FOR DECISION:
The General Meeting agrees on the appointment of Mr. Kurt Coffyn, Kasteeldreef 33a, 3140 Keerbergen, as independent director as understood in articles 524 and 526ter of the Belgian Company Code, for a period of four years, commencing immediately after the annual General Meeting of 2017 and expiring immediately after the annual General Meeting of 2021.
9. Remuneration of directors
PROPOSAL FOR DECISION:
The General Meeting agrees to pay the directors a fixed remuneration for the performance of their duties in 2017 for a total amount of EUR 244,000.

Agenda of the Extraordinary General Meeting

The Meeting shall deliberate and vote on the following agenda:

1. Renewal of the authorisation of the Board of Directors relating to authorised capital

1. Inspection of the special report of the Board of Directors in pursuance of Articles 604 and 560 of the Belgian Company Code regarding the description of special circumstances under which the Board of Directors shall be able to use the authorised capital and the purposes for which, including the possibility to, in the context of the issue of securities within the authorized capital, to change the respective rights of the existing shares.

2. Renewal of the authorisation relating to authorised capital and authorization to change the respective rights of the existing categories of shares and securities.

PROPOSED RESOLUTION

The Extraordinary General Meeting resolves to renew the authorisation relating to authorised capital for a period of 3 years, in pursuance of Article 604 as well as Article 607, second paragraph, 2° of the Belgian Company Code, and resolves to replace Article 47, paragraph 1 and paragraph 8 of the Articles of Association as follows:

Paragraph 1: *“The Board of Directors is authorised, for a period of 3 years starting from the publication in the Annexes to the Belgian Official Gazette of an extract of the report of the Extraordinary General Meeting of 24 May 2017 (date of the Extraordinary General Meeting which effectively adopted the resolution), to increase the issued capital in one or more times with a sum equal to the authorised capital on the date of the renewal of this authorisation, being four million nine hundred and two thousand eight hundred euros and ninety-six cents (4,902,800.96).”*

Paragraph 8: *“From the date of notification to the Company by the Financial Services and Markets Authority (FSMA) of a public takeover bid relating to the shares of the Company, the Board of Directors is explicitly authorised to increase the issued authorised capital of the Company in one or more times by contribution in cash with termination or restriction of the preferential right of subscription of the existing shareholders or by contribution in kind in accordance with the provisions in this regard. This authority is granted for a period of 3 years starting from the date of the Extraordinary General Meeting of 24 May 2017 (date of the Extraordinary General Meeting which effectively adopted the resolution), the authorisation may be renewed and is granted under the conditions of Article 607 of the Belgian Company Code.”*

The Extraordinary General Meeting resolves that the existing authorisation, in application of the aforementioned paragraph 1, shall remain in force until the publication of the new authorisation in the Annexes to the Belgian Official Gazette, but no later than 18 June 2017.

2. Authorisation to buy back own shares

- (a) Renewal of the authorisation to acquire and dispose of the Company’s own shares, profit-sharing certificates or certificates relating thereto in order to avert an imminent serious disadvantage for the Company.

PROPOSED RESOLUTION

The Extraordinary General Meeting resolves to renew, for a period of 3 years the authorisation to acquire and dispose of the Company’s own shares, profit-sharing certificates or certificates relating thereto in case of an imminent serious disadvantage for the Company and resolves to replace the first paragraph of Article 48 of the Articles of Association as follows:

“The Board of Directors is explicitly authorised, in pursuance of the provisions of the Belgian Company Code, to acquire, accept as pledge or dispose of the Company’s own shares, profit-sharing certificates or certificates relating thereto, if the acquisition, acceptance as pledge or disposal is necessary for averting an imminent serious disadvantage for the Company. This authorisation applies for a period of 3 years starting from the publication of an extract of the report of the Extraordinary General Meeting of 24 May 2017 (date of the Extraordinary General Meeting which effectively adopted the resolution) in the Annexes to the Belgian Official Gazette. This authorisation also applies to the buy-back, exchange or acceptance as pledge and disposal of the Company’s shares, profit-sharing certificates or certificates relating thereto by a subsidiary company directly controlled by the Company within the meaning of Article 627 of the Belgian Company Code. The Board of Directors is authorised to cancel the shares thus acquired by the Company, ensure that this cancellation is recorded in a notarial deed, and amend and coordinate the Articles of Association in order to bring them into line with the resolutions thus adopted.”

The Extraordinary General Meeting resolves that the existing authorisation shall remain in force until the publication of the new authorisation in the Annexes to the Belgian Official Gazette, but no later than 18 June 2017.

(b) Renewal of the authorisation to acquire the Company's own shares, profit-sharing certificates or certificates relating thereto.

PROPOSED RESOLUTION

The Extraordinary General Meeting resolves to renew, for a period of 4 years, the authorisation to acquire the Company's own shares, profit-sharing certificates or certificates relating thereto and resolves to definitively replace the transitional provision of the Articles of Association as follows:

“Authorisation of the Board of Directors to acquire through buy-back or exchange or to accept as pledge for a period of 4 years the maximum number of shares or profit-sharing certificates of the Company or certificates relating thereto permitted under the legal provisions in this regard.

The Extraordinary General Meeting explicitly authorises the Board of Directors to acquire through buy-back or exchange or to accept as pledge the maximum number of the shares or profit-sharing certificates of the Company or certificates relating thereto permitted under legal provisions in this regard at a price at least equal to the price at which these shares or profit-sharing certificates of the Company or certificates relating thereto are permitted to be traded in a regulated market within the meaning of Article 2, 3° of the Act of 2 August 2002 concerning the supervision of the financial sector and financial services or an MTF as intended within the meaning of Article 2, 4° of the same Act of 2 August 2002 (“MTF”) at the time of this buy-back, exchange or acceptance as pledge minus ten percent (10%), and at most the price at which these shares and profit-sharing certificates of the Company or certificates relating thereto are listed for trading in a regulated market within the meaning of Article 2, 3° of the Act of 2 August 2002 concerning the supervision of the financial sector and financial services or an MTF at the time of this buy-back, exchange or acceptance as pledge minus ten percent (10%). This authorisation applies for a period of 4 years starting from the date of the Extraordinary General Meeting of 24 May 2017. This authorisation also applies to the buy-back, exchange or acceptance as pledge of shares and profit-sharing certificates of the Company or certificates relating thereto by a subsidiary directly controlled by the Company within the meaning of Article 627 of the Belgian Company Code. The Board of Directors is authorised to cancel the shares thus acquired by the Company, ensure that this cancellation is recorded in a notarial deed, and amend and coordinate the Articles of Association in order to bring them into line with the resolutions thus adopted.

Authorisation of the Board of Directors to dispose of the Company's shares, which are permitted to be traded in a regulated market within the meaning of Article 2, 3° of the Act of 2 August 2002 concerning the supervision of the financial sector and financial services or an MTF, without the prior consent of the General Meeting.

The Extraordinary General Meeting explicitly authorises the Board of Directors to dispose of the Company's shares, which are permitted to be traded in a regulated market within the meaning of Article 2, 3° of the Act of 2 August 2002 concerning the supervision of the financial sector and financial services or an MTF, without the prior consent of the General Meeting.”

3. Amendment of the Articles of Association in order to bring them into line with (i) the Act of 29 June 2016 containing various provisions relating to the economy and (ii) the Act of 7 December 2016 concerning the organisation of the profession and the public supervision of the statutory auditors.

PROPOSED RESOLUTION:

The Extraordinary General Meeting resolves to amend the Articles of Association, in order to bring them into line with (i) the Act of 29 June 2016 containing various provisions relating to

the economy and (ii) the Act of 7 December 2016 concerning the organisation of the profession and the public supervision of the statutory auditors, as follows:

- Amendment of Article 21 (“Advisory Committees”) as follows:

“§1 General

The Board of Directors may set up, from among its members and under its liability, one or more Advisory Committees. The Board defines the composition and duties of these committees.

§2 Audit Committee

The Board of Directors is obliged to set up an Audit Committee from among its members. The minimum powers vested in the Audit Committee are those enumerated in Article 526a, §4 of the Belgian Company Code. The Audit Committee reports regularly to the Board of Directors on the performance of its duties.

The Audit Committee consists of at least three directors. All members of the Audit Committee must be non-executive directors and at least one member of the Audit Committee must be independent within the meaning of the Belgian Company Code. The members of the Audit Committee have a collective expertise in the area in which the company is active. At least one member of the Audit Committee possesses the necessary expertise in the area of accounting and audit.

The members of the Audit Committee are appointed by the Board of Directors. The chairman of the Audit Committee is appointed by the members of the Audit Committee.

The duration of the assignment of the members may not be longer than six years. They are eligible for reappointment.

§3 Remuneration Committee

The Board of Directors is obliged to set up a Remuneration Committee from among its members. The minimum powers vested in the Remuneration Committee are those enumerated in Article 526c, §5 of the Belgian Company Code. The Remuneration Committee reports regularly to the Board of Directors on the performance of its duties.

The Remuneration Committee consists of at least three directors. All members of the Remuneration Committee must be non-executive directors and the majority of the members of the Remuneration Committee must be independent within the meaning of the Belgian Company Code. The Remuneration Committee possesses the necessary expertise in the area of remuneration policies.

The members of the Remuneration Committee are appointed by the Board of Directors.

The duration of the assignment of the members may not be longer than six years. They are eligible for reappointment.”

- Amendment of Article 24 (“Audit”) as follows:

“The task of auditing the financial situation, financial statements and regularity, from standpoint of the Belgian Company Code and the Articles of Association, of the transactions represented in the financial statements is assigned to one or more supervisory directors, who are appointed by the General Meeting from among the statutory auditors registered in the public register of the statutory auditors or from among the registered audit firms. The proposal for appointment as supervisory director, which is to be submitted by the management body to the General Meeting, is formulated on the recommendation of the Audit Committee. The General Meeting determines the number of supervisory directors and determines their fees.

The supervisory directors are appointed for a term of three years, renewable in accordance with the limitations provided for in the Belgian Company Code.

Subject to payment of compensation, they may be dismissed during their assignment by the General Meeting solely based on legitimate reasons, with due observance of the procedure described in Articles 135 and 136 of the Belgian Company Code.

In the absence of supervisory directors or if none of the supervisory directors are able to perform their duties, the Board of Directors shall immediately convene the General Meeting to provide for their appointment or replacement.”

4. Power of attorney for the coordination of the Articles of Association

PROPOSED RESOLUTION:

The Extraordinary General Meeting grants the executing civil-law notary, with the right of substitution, full power to coordinate and sign the text of the Articles of Association of the Company in order to bring them into line with previous resolutions, as well as to file the coordinated Articles of Association at the registry of the competent commercial court, in accordance with the legal provisions thereto.

II. CONDITIONS OF ACCESS

Pursuant to Article 536 §2 of the Companies Code and Article 31 of the Articles of Association of the Company, a shareholder will only be admitted to the General Meeting of shareholders and may exercise his/her voting rights if (1) the number of shares with which he/she wishes to participate in the General Meeting are properly registered in his/her name on Wednesday 10 May 2017 (midnight Belgian time) (hereafter referred to as: Registration Date) in accordance with the following registration procedure and if (2) the shareholder has confirmed to the Company that he/she wishes to participate in the General Meeting no later than Thursday 18 May 2017 (midnight Belgian time) in accordance with the following notification procedure.

A. REGISTRATION PROCEDURE

The registration procedure is as follows:

For the holder of shares registered by name

The holder of shares registered by name must be registered on the Registration Date in the share register of the Company with the number of shares for which he/she wishes to be registered on the Registration Date and with which he/she wishes to participate in the General Meeting.

For the holder of dematerialised shares

The holder of dematerialised shares must inform the authorised financial institution or depository institution on whose accounts the shares are registered with how many he/she wishes to register on the Registration Date and with which he/she wishes to participate in the General Meeting, and this no later than the Registration Date before closing time of the authorised financial institution or depository institution. The ownership of the shares on the Registration Date will be determined on the basis of the confirmation of deposit that will be drawn up by the authorised financial intermediary or depository institution concerned and presented by the shareholder to the NV Ter Beke in accordance with the following notification procedure.

Only those persons who hold shares on the Registration date are entitled to attend and vote at the general meeting of shareholders.

B. NOTIFICATION PROCEDURE:

In addition to the registration process set out above, the shareholder must inform the Company in writing no later than midnight on Thursday 18 May 2017 that he/she wishes to participate in the General Meeting. The holder of dematerialised shares shall hand over the confirmation of registration from the financial intermediary mentioned above, or from the authorised financial intermediary or depository institution, together with his/her notification of participation to the Company.

The above-mentioned notification of participation in the General Meeting and, where necessary, the deposit of the above-mentioned confirmation of registration may only be validly deposited with the Company in the following manner:

- by letter, addressed to NV Ter Beke, attn. Hilde Coopman, Beke 1, B-9950 Waarschoot; this letter must arrive at the address given no later than midnight on 18 May 2017; or
- per fax, on fax number +32 9 370 15 09; this fax must have arrived at the fax number given no later than midnight on 18 May 2017; or
- per e-mail:, sent to the e-mail address hilde.coopman@terbeke.be ; this e-mail must arrive at the e-mail address given no later than midnight on 18 May 2017.

III. VOTING BY PROXY

Pursuant to the Companies Code and Article 32 of the Articles of Association of the Company a shareholder may elect to be represented at the General Meeting by a proxy. When appointing a proxy, the shareholder must use the proxy form issued by the Company. The appointment of a proxy must be in writing and must be signed by the shareholder in accordance with the applicable legal requirements. Proxy forms can be obtained from the Company head office or from the Company website (www.terbeke.be). A copy of the signed proxy form must arrive at the Company no later than midnight on Thursday 18 May 2017 per letter, per fax or per e-mail at the same address as stated above in the notification procedure.

You must give the original of the signed proxy form to your proxy who, no later than the day of the General Meeting, will submit this form to the Company representatives in order to be admitted to the meeting.

The natural persons who as shareholder, proxy or representative of a legal entity participate in the meeting must be able to identify themselves in order to be admitted to the meeting. The representatives of legal entities must be able to prove their identity as corporate representative or as special proxy.

IV. ENTITLEMENT TO SUBMIT AGENDA ITEMS AND DECISIONS TO VOTE ON – ENTITLEMENT TO SUBMIT QUESTIONS

Pursuant to Article 533 of the Companies Code and Article 30 of the Articles of Association of the Company shareholders who, at the date of their request and on Registration Date, alone or together hold at least 3% of the share capital of the Company are entitled to 1) submit new items to be placed on the agenda of the General Meeting, and 2) to submit decisions to vote on regarding existing or new items on the agenda.

The proposals for inclusion in the agenda and proposals for decisions to be voted on must be submitted to the Company no later than midnight on Tuesday 2 May 2017 (Belgian time) and may be sent to the Company per letter, fax or e-mail at the same address as stated above in the notification procedure. If valid proposals for inclusion in the agenda and/or valid proposals for decisions to be voted on are submitted within the period mentioned above, the Company will publish a new agenda no later than Monday 8 May 2017.

Furthermore, pursuant to Article 540 of the Companies Code, all shareholders are entitled to submit questions in writing to the directors and Statutory Auditor as well as to ask questions orally during the General Meeting. Written questions must be submitted in advance and will only be answered if the person asking the question has complied with the registration and notification procedure as stated above.

The written questions to the administrators and/or Statutory Auditor must reach the Company no later than midnight on Thursday 18 May 2017 (Belgian time) and may be sent to the Company per letter, fax or e-mail at the same addresses as stated in the notification procedure above.

F. AVAILABILITY OF DOCUMENTS

All documents relating to this General Meeting and that pursuant to statutory requirements must be made available to the shareholders, may be consulted from Friday 21 April 2017 at the Company website (www.terbeke.be)

Likewise from that date shareholders can peruse these documents and/or request a copy, free of charge, from the Company offices at Beke 1, B-9950 Waarschoot, during normal office hours. Free complementary copies of the documents may also be requested in writing, per letter, fax or e-mail at the addresses stated in the notification procedure above.

The Board of Directors