

Tessenderlo Group
Public limited liability company
Troonstraat 130, 1050 Elsene (Belgium)
RPR Brussels 0412.101.728 (Dutch speaking section)
(the "Company")

**SPECIAL REPORT OF THE BOARD OF DIRECTORS TO THE EXTRAORDINARY GENERAL MEETING WITH RESPECT
TO AUTHORIZED CAPITAL**

(ARTICLE 7:199 CODE OF COMPANIES AND ASSOCIATIONS)

Dear shareholders,

This special report is drawn up by the board of directors in accordance with article 7:199 of the Belgian Code of Companies and Associations ("BCCA"). In this special report, the board of directors wishes to elaborate on its proposed resolution to the extraordinary general meeting of May 10, 2022 to authorize the board of directors to increase the Company's capital in accordance with the terms and conditions set out in this report.

According to article 7:199 BCCA, the board of directors has to draw up a special report setting out the specific circumstances under which the board of directors can use its authorization to increase the capital of the Company as well as the goals envisaged by the use of the authorized capital.

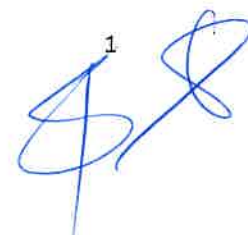
1. PROPOSED RESOLUTIONS FOR THE GENERAL MEETING

- 1.1. The board of directors proposes to the extraordinary general meeting to authorize it, for a period of 5 years from the publication in the Annex to the Belgian Official Gazette, to increase the capital, in one or more times, up to an amount of EUR 108,115,931.07 (being 50% of the Company's capital) in accordance with the provisions in the BCCA and the by-laws of the Company. The authorization is renewable for periods of five years.
- 1.2. In light of the foregoing, the board of directors proposes to amend the provisions in the by-laws in relation to authorized capital.

2. JUSTIFICATION

2.1. Preliminary note – existing authorizations

By decision of the extraordinary general meeting of June 6, 2017 the board of directors is authorized to increase the Company's capital, in one or more times, up to an amount of EUR 43,160,095 (forty three million one hundred and sixty thousand ninety-five EUR) for a period of five years from the publication of the authorization in the Annex to the Belgian Official Gazette, in accordance with the provisions set out in the BCCA and the by-laws of the Company. The board of directors is allowed to use the authorized capital to take protective measures for the Company through capital increases, with or without limitation or withdrawal of preferential rights, even outside the context of a possible public takeover bid, to the extent that the Company has not yet received a notification of the Financial Services and Markets Authority (FSMA) with respect to a public takeover bid on its securities. This authorization will expire on June 25, 2022.

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2.2. *Proposal of renewal of authorization with respect to authorized capital*

On the date of this report the board of directors proposes to the extraordinary general meeting to authorize it, for a renewable period of 5 years from the publication of the authorization in the Annex to the Belgian Official Gazette, to increase the capital, in one or more times, up to an amount of EUR 108,115,931.07 (being 50% of the Company's capital).

The proposal with respect to authorized capital relates to capital increases as provided in the BCCA. More in particular, the board of directors may, as set out in article 7 of the Company's by-laws and within the limits of the authorization by the extraordinary general meeting, decide to increase the capital by contribution in cash, contribution in kind, a combination of both, or by incorporation of available or non-available reserves or issue premiums, with or without issuance of new shares. The capital increases may give rise to the issuance of bonds that are convertible into shares or bonds with subscription rights, as well as subscription rights that are either linked or not linked to other movable securities.

The board of directors further proposes to provide that it can, in the interest of the Company and in accordance with the conditions set out in the BCCA and the Company's by-laws, limit or withdraw the preferential rights of the shareholders, as the case may be, in favour of one or more persons, who may or may not be members of personnel. The board of directors is, as mentioned above, also authorized to increase the capital by incorporation of reserves. As a consequence, the board of directors proposes to explicitly extend the scope of the authorized capital so that it comprises all transactions mentioned in article 7:200 of the BCCA.

2.3. *Use of authorized capital*

The procedure to be followed by the Company for convening an extraordinary shareholders' meeting resolving on a capital increase is relatively expensive, complex and time-consuming. The proposal to grant a new authorization in the framework of the authorized capital to the board of directors, relates to the flexibility and swiftness with which the Company can proceed to capital increases in the context of authorized capital. This is especially useful when it is not expedient to convene an extraordinary general meeting, when a swift and/or flexible decision making process is recommendable, when the cost for the organization of the extraordinary general meeting is not justifiable, or when several issuances are contemplated.

The board of directors requests the extraordinary general meeting to authorize the application of the authorized capital in the following circumstances :

- when it would appear to be necessary to react swiftly to certain market opportunities;
- when the need to convene a shareholders' meeting could lead to a premature announcement of a transaction and/or jeopardize a favourable outcome of the negotiations relating to such transaction;
- when the board of directors considers it necessary or appropriate to obtain external financing;
- to compensate one or more contributions in kind;
- to swiftly react to opportunities with respect to acquisitions, alliances or strategic developments;
- when the costs for the convocation of an extraordinary general meeting would be disproportionate to the amount of the proposed capital increase;
- for capital increases in favour of one or more persons, who may or may not be members of personnel (amongst others for option plans, share plans or other incentive or remuneration plans for members of personnel);

- for capital increases in the framework of a dividend paid in shares;
- for capital increases through incorporation of reserves or other components of the Company's equity, in order to be able to round off the amount of the capital to a round figure;
- when, because of the urgency or other specific circumstances, a capital increase within the framework of the authorized capital is better suited to serve the Company's interest.

In accordance with article 7:201 BCCA, the board of directors cannot use the authorized capital for the following purposes:

- the issue of subscription rights that are mainly reserved for one or more specific persons, who are not members of personnel,
- the issue of shares with multiple voting rights or of securities giving the right to the issue of or the conversion into shares with multiple voting rights;
- capital increases which are mainly executed by way of contribution in kind and that are exclusively reserved for a shareholder of the Company holding securities carrying more than 10% of the voting rights;
- the issue of a new type of securities.

3. PROPOSAL TO AMEND THE ARTICLES OF ASSOCIATION

In light of the proposal under point 1.1. and 1.2., the board of directors proposes to the shareholders' meeting to amend article 7 of the by-laws in relation to authorized capital as follows.

The words "*bonds with subscription rights, as well as subscription rights that are either linked or not linked to other movable securities*" in the second paragraph of article 7 will be replaced by the words "*subscription rights*".

The words "*who may or may not be employed by the company or its subsidiaries*" in the third paragraph of article 7 will be replaced by the words "*who may or may not be members of personnel*".

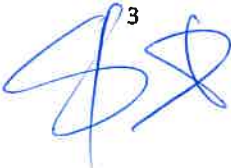
The text of the fifth paragraph of article 7 will be replaced with the following text:

"The extraordinary shareholders' meeting of May 10, 2022 decided to authorize the board of directors, for a period of 5 years from the publication of the authorization in the Annex to the Belgian Official Gazette of the modification of the articles of association decided by the extraordinary shareholders' meeting of May 10, 2022, to increase the share capital, in one or more times, up to an amount of EUR 108,115,931.07 (one hundred and eight million one hundred and fifteen thousand nine hundred and thirty-one euros and seven eurocent), in accordance with the provisions set out in the Code of companies and associations and the articles of association of the company."

The text of the sixth paragraph of article 7 will be deleted.


4. CONCLUSION

The board of directors proposes to the extraordinary shareholders' meeting to vote in favour of the proposed resolutions.

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Signed on 29/3, 2022

For the board of directors,



Stefaan Haspeslagh

Chairman



Luc Tack

Director-CEO