

## **TITAN CEMENT INTERNATIONAL SA**

**23 Rue de la Loi, 7<sup>th</sup> floor, box 4, 1040 Brussels**

**Register of Legal Entities (Brussels): 0699.936.657**

(the *Company*)

### **SPECIAL REPORT OF THE BOARD OF DIRECTORS PURSUANT TO ARTICLE 7:199 OF THE BELGIAN CODE OF COMPANIES AND ASSOCIATIONS**

#### **1. PRELIMINARY STATEMENTS**

In accordance with article 7:199 of the Belgian Code for Companies and Associations (the **BCCA**), when the shareholders' meeting decides to grant the authorisation foreseen in Article 7:198 of the BCCA, which is the authorisation for the board of directors to increase, in one or more instances, the subscribed share capital up to a determined amount, the specific circumstances under which the authorised capital may be used and the pursued goals are indicated in a special report.

The present report hence addresses in particular the specific circumstances under which the board of directors will be able to use the authorised capital and which goals the board of directors will hereby pursue.

#### **2. PROPOSED AUTHORISATION**

The board of directors proposes to the shareholders' meeting to authorise the board of directors to increase the share capital of the Company, in one or several times, by a (cumulated) amount of maximum EUR 959,347,807.86, i.e. the amount of the share capital after the capital reduction that will be resolved upon by the Extraordinary Shareholders' Meeting to be held on 9 May 2022. The board of directors proposes to the shareholders' meeting to grant such authorisation for a period of five years from the date of publication of the amendment of the articles of association of the Company in the Belgian Official Gazette.

#### **3. SPECIFIC CIRCUMSTANCES UNDER WHICH THE AUTHORISED CAPITAL CAN BE USED**

The board of directors proposes to be authorised to use the authorised capital in the following circumstances:

##### **3.1. Principle**

Under the present authorisation, the board of directors is authorised to increase the share capital of the Company, in one or several times, by a (cumulated) amount of maximum EUR 959,347,807.86, i.e. the amount of the share capital after the capital reduction that will be resolved upon by the Extraordinary Shareholders' Meeting to be held on 9 May 2022, for a period of five years from the date of publication of the amendment of the articles of association of the Company in the Belgian Official Gazette.

##### **3.2. Issuance of convertible bonds or warrants**

Under the present authorisation, the board of directors is also authorised to issue, in one or more instances, convertible bonds and/or subscription rights. Concerning the issuance of convertible bonds or subscription rights, the determined amount up to which the authorised capital may be used is calculated on the basis of the capital increases that may result from the conversion of these bonds or the exercise of these subscription rights.

The authorised capital may not be used for the issuance of subscription rights reserved primarily for one or more specific persons other than members of staff of the Company or of one or more of its subsidiaries, as provided for in Article 7:201, 1° of the BCCA.

### **3.3. Limitation or suspension of preferential rights**

In the interest of the Company and provided that the requirements set out in Articles 7:191 and 7:193 of the BCCA are met, the board of directors may also use the authorised capital for the following transactions:

- (a) capital increases or issuances of convertible bonds or subscription rights where the shareholders' preferential rights are limited or excluded (Article 7:200, 1° of the BCCA); and
- (b) capital increases or issuances of convertible bonds where the shareholders' preferential rights are limited or excluded in favour of one or more specific persons, other than members of staff of the Company or of its subsidiaries (Article 7:200, 2° of the BCCA).

### **3.4. Incorporation of reserves**

The board of directors may also use the authorised capital to increase the share capital of the Company through the incorporation of reserves, including revaluation reserves, with or without the issuance of new shares (Article 7:200, 3° of the BCCA).

### **3.5. In cash and in kind**

The board of directors may use the authorised capital to carry out capital increases through contributions in cash or in kind, but, concerning the contributions in kind, the board of directors is not allowed, in accordance with Article 7:201, 3° of the BCCA, to carry out a capital increase mainly through contribution in kind reserved exclusively for a shareholder of the Company holding securities in the Company to which more than 10% of the voting rights are attached.

### **3.6. Issue premium and issue below par value**

On the occasion of the increase of the subscribed capital, carried out within the limits of the authorised capital, the board of directors is authorised to request an issue premium.

The board of directors may also use the authorised capital for capital increases below the par value of the shares of the Company.

### **3.7. Public tender offer**

With regard to capital increases in the event of a public takeover bid offer, as referred to in Article 7:202 of the BCCA, the authorisation granted to the board of directors and described above is only valid for a period of three years as from the date of the shareholders' meeting granting the authorisation.

#### 4. PURSUED GOALS WHEN USING THE AUTHORISED CAPITAL

The board of directors proposes to be authorised to use the authorised capital for the following purposes:

- (1) when the amount of the Company's share capital appears to be insufficient for the Company to comply with its legal and statutory obligations;
- (2) when an imbalance arises between the net assets and the external funding of the Company, in order to improve the Company's solvency; in particular, the board of directors may use the authorised capital when the thresholds provided for in Articles 7:228 and 7:229 of the BCCA are exceeded or are likely to be exceeded;
- (3) to provide the Company with the necessary means in order to (i) finance its growth, (ii) be able to flexibly address the opportunities that may rise, including, but not limited to, takeovers and mergers, (iii) organise in a simple manner the participation of staff, directors, consultants and management, and (iv) be able to face new developments and challenges through its diversification and acquisition policy;
- (4) more generally, the authorised capital will be used whenever the Company's position is compromised or threatened to be compromised, directly or indirectly, financially, competitively or otherwise.

For the above list, the norm that the board of directors must always act in the Company's interest applies.

#### 5. AMENDMENT OF THE ARTICLES OF ASSOCIATION

If the shareholders' meeting decides to grant the board of directors the authorisation described in this special report, the Company's articles of association shall be amended to reflect such decision at the Extraordinary Shareholders' Meeting to be held on 9 May 2022.

7 April 2022

For the Board of Directors:

---

Director

---

Director