

BELGIUM

DESCRIPTION OF SITUATION REGARDING UNREGISTERED STOCK

1. CAN THERE BE BEARER SHARES IN BELGIUM?

Not at all. Paper bearer shares were abolished in Belgium. (1) Since 1 January 2008 companies may issue unregistered stock only in the book (constructive) form. Unregistered stock issued before 1 January 2008 must be transformed into registered stock or book (constructive) shares by 31 December 2013 at the latest. The unregistered paper shares, not transformed into registered stock or book (constructive) shares by 31 December 2015 shall be sold by the issuer.

2. WHAT FORM OF SHARES DO COMPANIES USUALLY GO FOR?

Companies may hold only book (constructive) shares, i.e. shares in traceable form.

3. WHERE IN BELGIUM ARE BOOK (CONSTRUCTIVE) SHARES REGISTERED?

Book (constructive) shares are registered on securities accounts. These accounts are managed by intermediaries (depositories), i.e. usually banks, stockbrokers or investment companies. Data on these accounts may be reflected by the central depository. The Central Depository is managed by the company, Euroclear Belgium. Companies that do not wish their shares registered by the Central Depository (i.e. constructive shares) can open issuer accounts with the intermediary (depository) properly authorized to engage in such activities; shareholders can acquire shares to add to their securities accounts through such an intermediary (depository).

4. IS THE INFORMATION ABOUT SHAREHOLDING PUBLIC?

No, it is not public.

5. IS THE ULTIMATE SHAREHOLDER TRACEABLE?

Yes, he is, but only in case of book (constructive) shares on the securities accounts managed by intermediaries (depositories). These depositories (intermediaries) are required to identify clients and ultimate shareholders in accordance with rules on the prevention of money laundering.

¹ Law from 14 December 2005, which abolished bearer stock.

On the other hand, Belgium has no procedure in place, which would enable companies to identify their shareholders. The introduction of such a procedure is nevertheless under debate.

6. HOW ARE BOOK (CONSTRUCTIVE) SHARES TRANSFERRED?

By "credit transfer" from one securities account to another. The account holder orders the intermediary to write down a certain amount of shares from his account to the account of the acquirer's account, kept by his middleman. Physical handover of shares as a method of transferring stock has been outlawed since 1 January 2008.

7. WHAT HAPPENS TO BOOK SHARES IN CASE OF BANKRUPTCY OF THE INTERMEDIARY (DEPOSITORY), WHO ADMINISTERS THE SECURITIES ACCOUNT? WILL THE CLIENTS NOT LOSE THEIR SHARES?

Clients will not lose their book (constructive) shares. Belgian Law exempts book (constructive) securities, including shares, from the gross estate of the bankrupt intermediary (depository).