

Option NV

Public limited liability company
Gaston Geenslaan 14
3001 Leuven – Heverlee
VAT BE: 0429.375.448 (RLE Leuven)

(the “**Company**”)

SPECIAL REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 583 OF THE BELGIAN COMPANY CODE (“BCC”) ON THE ISSUANCE OF WARRANTS UNDER THE WARRANT PLAN “2012”

1 Introduction

In accordance with Article 583 of the BCC, the Board of Directors of the Company reports on the proposed issuance by the Shareholders’ Meeting of a maximum of 4,124,930 warrants (“**Warrants**”), which equals 5% of the current registered capital, which would be granted within the framework of a new warrant plan “2012” (the “**Plan**”) to the employees (the “**Employees**”) and self-employed consultants (the “**Consultants**”), including the members of the Executive Management Team (the “**Members of the EMT**”), of the Company and its subsidiaries (the “**Subsidiaries**”) in Belgium and abroad (the “**Option Group**”). As was the case for the warrant plan “V”, it remains the intention to grant the Warrants to those persons who commit themselves to the Option Group and make themselves useful to it, with the purpose of rewarding them and of trying to bind them to the Option Group for a longer period of time.

The Board of Directors also refers to the special report it has drafted in accordance with Articles 596 and 598 of the BCC in the framework of the proposed cancellation of the preferential subscription right of the existing shareholders at the contemplated issuance of the Warrants. The above mentioned special report contains a justification of the proposed cancellation of the preferential subscription right and specifically refers to the Exercise Price of the Warrants and the financial consequences for the shareholders. It is put at the shareholders’ disposal in a simultaneous and identical manner as the present report.

The Board of Directors proposes to the Shareholders’ Meeting to issue the Warrants in accordance with the terms and conditions of the Plan, as set out below in part 2 of this report.

2 The Plan

The general conditions of the Plan are set out hereunder:

2.1 Definitions

In this Plan the terms listed below will have the following meaning:

"Beneficiary" means (i) an Employee who has entered into an employment agreement with a Member of the Group not less than six (6) months (not interrupted) before the Grant Date, unless the Board of Directors decides to deviate on an individual basis from this six (6) months requirement; and/or (ii) a Consultant who has entered into a Consultancy Agreement (as defined hereafter) with a Member of the Group not less than six (6) months (not interrupted) before the Grant Date, unless the Board of Directors decides to deviate on an individual basis from this six (6) months requirement;

"Board of Directors" means the board of directors of the Company;

"Business Day" means a day on which commercial banks are open for business in Leuven, Belgium;

"BCC" means the Belgian Company Code of 7th May 1999, as amended from time to time;

"Committee" means the Remuneration Committee of the Company;

"Company" means Option NV, with registered office at Gaston Geenslaan 14, 3001 Leuven - Heverlee, Belgium, registered with the Crossroads Database for Enterprises under the number 0429.375.448 (RLE Leuven);

"Control" means control over a company as defined in Article 5 et seq. of the BCC;

"Consultant" means a physical person or legal entity, which does not qualify as an Employee and has entered into a Consultancy Agreement with a Member of the Group;

"Consultancy Agreement" means the consultancy agreement or similar agreement entered into between a Consultant and a Member of the Group;

"Date of Issuance" means the date on which the Warrants have been issued by the Shareholders' Meeting of the Company;

"Death" means death of the Warrant Holder;

"Employee" means a person who has entered into an employment agreement with a Member of the Group;

"Employment" means the employment of an Employee by a Member of the Group through an employment agreement with a Member of the Group;

"Exercise Price" means the amount payable for each newly issued Share upon the exercise of a Warrant and calculated as described in Section 2.4.1 of this Plan;

"Exercise Term" means the period during which the Warrants may be exercised in accordance with Section 2.9.1 and Section 2.9.2 of this Plan;

"Exercise Windows" means the period from 1 May until 31 May, the period from 1 September until 30 September and the period from 1 December until 31 December, during which the Warrant Holder may notify the exercise of his Warrants in accordance with Section 2.9.4 of this Plan;

"Grant Date" means the date on which a Beneficiary is notified in writing by the Board of Directors that he or she is offered a Warrant;

"Invalidity" means the permanent disease or invalidity of the Warrant Holder, as discretionarily determined by the Board of Directors;

"Member of the EMT" means those Employees or Consultants of the Company who are members of the Executive Management Team of the Company;

"Member of the Group" means (i) the Company and/or (ii) its Subsidiaries;

"Plan" means this Option warrant plan "2012" as set forth in this document;

"Retirement" means retirement, early retirement agreed upon with the Member of the Group which employed the Warrant Holder or reaching of the statutory or contractual age limit;

"Secretary" means the person appointed as secretary by the Board of Directors;

"Serious Cause" means

- (a) fraud, theft, misappropriation of funds or commission of a felony by the Warrant Holder or any affiliated entity of the Warrant Holder;
- (b) intentional misconduct (or failure to act) by the Warrant Holder or any affiliated entity of the Warrant Holder that is materially injurious to the financial condition or business reputation of the Company or any Subsidiary;
- (c) dereliction or gross negligence in the performance of duties or failure to perform duties, by the Warrant Holder or any affiliated entity of the Warrant Holder, in a manner consistent with the instructions given to the Warrant Holder by the competent organ of the Company or any Subsidiary;
- (d) violation of any material covenant to which the Warrant Holder or any affiliated entity of the Warrant Holder has agreed vis-à-vis the Company or any Subsidiary; or
- (e) just cause (*dringende reden – faute grave*) as defined under applicable labour laws;

"Share" means an issued share in the Company;

"Shareholders' Meeting" means the shareholders' meeting of the Company;

"Stock Exchange" means Euronext Brussels or any other stock exchange or regulated market on which the Shares are or will be listed or traded;

"Subsidiary" means a company over which the Company has Control;

"Termination Date" means the date at which the Employment, the Consultancy Agreement or the mandate of a Member of the EMT is terminated; in case a term of notice applies, the Employment, Consultancy Agreement or mandate of a Member of the EMT is deemed to be terminated on date of actual termination of activities;

"Warrant" means a right to subscribe to one (1) new Share of the Company;

"Warrant Holder" means any person holding a Warrant, irrespective of the fact whether or not the Warrants are vested in accordance with Section 2.7 of this Plan;

"Warrant Period" means the period starting on the Date of Issuance of a Warrant and ending at the end of the day before the fifth (5) anniversary of the Date of Issuance;

Terms in the plural will also refer to the singular and vice versa.

All references to a "Section" in this Plan are references to the numbering of this Plan, unless expressly stated otherwise.

2.2 Purpose of the Plan

The purpose of this Plan is to support and achieve the following corporate and human resource objectives:

1. to provide long-term incentives and rewards to Employees and Consultants of the Company and any of its Subsidiaries, who are in a position to contribute to the long-term success and growth of the Company and its Subsidiaries; and
2. to assist the Company and any of its Subsidiaries in retaining Employees and Consultants with the requisite experience and skills; and
3. to align more closely the interests of such Employees and Consultants with those of the Company's stockholders and to offer them the possibility to share in the wealth creation and growth of the Company; and
4. to promote the participation in the Company's share capital by Employees and Consultants, as well as to establish a continuous and long-term cooperation and to ensure the personal efforts from the Employees and Consultants as part of the development and success of the Company and any of its Subsidiaries.

2.3 Grant and acceptance of Warrants

2.3.1 Grant of Warrants

The Shareholders' Meeting delegates to the Board of Directors the power to grant a certain number of Warrants to any Beneficiary, at its own discretion, upon recommendation of the Committee.

The grant of Warrants to a Beneficiary does not exclude the Beneficiary from future grants, neither does it by itself entitle the Beneficiary to any such future grants.

2.3.2 Price

The Warrants are granted to the Beneficiaries free of charge.

2.3.3 Warrant Form

The Warrants are in registered form. They shall be recorded in a special register kept at the registered office of the Company.

2.3.4 Acceptance of the Warrants

Any Beneficiary needs to accept all or part of his or her Warrants by notice in writing to the Board of Directors or to the Secretary either (i) within sixty (60) calendar days after the Grant Date of the Warrants to the Beneficiaries, as far as Employees are concerned, or (ii) within ninety (90) calendar days after the Grant Date of the Warrants to the Beneficiary, as far as Consultants are concerned. If this acceptance does not occur in due time, the Warrants shall be deemed to be refused and the rights of the concerned Beneficiary with regard to the relevant grant of Warrants shall automatically be cancelled; the same goes for explicitly refused Warrants. No financial or other compensation for the refusal shall be due to the Beneficiary.

Explicitly or implicitly refused Warrants can still be granted by the Board of Directors to other or even to the same Beneficiaries.

2.3.5 Grant Time

The Board of Directors may grant the Warrants at any time. Notwithstanding the foregoing, the Board of Directors cannot grant Warrants if restrictions are imposed by the articles of association of the Company, any laws, regulations or government directives, or by any code adopted by the Company.

2.3.6 Transferability restrictions

Except for the transfer in case of Death of the Warrant Holder, neither the Warrant nor any rights in respect of it may be transferred, assigned by the Warrant Holder to any other person, or otherwise be disposed of.

2.3.7 Administrative errors

If the Board of Directors grants a Warrant which is inconsistent with the Plan, the Warrant will be limited to, and will only take effect as from the Grant Date of the Warrant and in accordance with the conditions of the Plan.

2.4 Exercise Price

2.4.1 Determination of the Exercise Price

The Shareholders' Meeting grants to the Board of Directors the power to determine the Exercise Price. The Exercise Price shall be expressed in Euro.

The Exercise Price will be equal to the Market Value (as defined hereafter) of a Share in the Company on the Date of Issuance, it being understood that for the Members of the EMT and the Consultants, in accordance with Article 598 of the BCC, the Exercise Price shall never be lower than the average of the closing stock price on Euronext during thirty (30) calendar days preceding the Date of Issuance.

2.4.2 Market Value

The "Market Value" of a Share as referred to in Section 2.4.1 of this Plan shall, at the discretion of the Board of Directors, be either the average closing stock price during thirty (30) calendar days preceding the Date of Issuance (as derived from the daily official list of the Stock Exchange) or the closing stock price on the Business Day immediately preceding the Date of Issuance. If the Market Value is less than the par value of the Share, then the Exercise Price will be equal to the par value of the Share.

2.5 Number of Warrants issued under this Plan

The number of Warrants which may be issued by the Shareholders' Meeting under the Plan shall not exceed 5% of the Shares which are issued by the shareholders of this Plan on the date of approval.

2.6 Adjustments to share capital

2.6.1 Adjustment of the Warrants

By way of derogation from Article 501 of the BCC, the Company reserves the right to effect transactions that potentially have an impact on the capital or the shares, such as a capital increase by a contribution in kind or in cash, incorporation of reserves, whether or not accompanied by the issuance of new shares or the issuance of convertible bonds or stock options, whether or not linked to bonds, and amendments to the provisions of the articles of association relating to the distribution of the profits or the distribution of the balance upon liquidation of the Company, even if these transactions would result in a decrease of the advantages offered to the Warrant Holders.

In the event of a merger or demerger, the subscription rights attached to Warrants outstanding at the date of the decision to merge or demerge and the Exercise Price associated with these subscription rights will be adjusted in accordance with the exchange ratio applied to the Company's existing shares.

If the Company were to increase its capital by way of a contribution in cash before the final exercise date of the vested Warrants, then the Warrant Holders, to the extent they are entitled

to do so in accordance with Article 501, clause 2 of the BCC, will be able to exercise their vested Warrants, at any time, in accordance with the conditions set out in this Plan and to participate in the new issue. In the case of an exercise of the vested Warrants under these circumstances, the Shares will only be transferable, whether freely or for a fee, if and to the extent that the vested Warrants would otherwise be exercisable in accordance with Section 2.9 of this Plan.

2.6.2 Notification

The Board of Directors shall notify the Warrant Holders of any adjustment made under Section 2.6.1 of this Plan, in accordance with the provisions of Section 2.18.1 of this Plan.

2.7 Vesting of the Warrants

Unless otherwise decided by the Board of Directors, the Warrants will vest as follows:

- Twenty-five (25) per cent of the number of Warrants granted to the Beneficiary will vest upon the first anniversary of the Grant Date;
- Fifty (50) per cent of the number of Warrants granted to the Beneficiary will vest upon the second anniversary of the Grant Date;
- Seventy-five (75) per cent of the number of Warrants granted to the Beneficiary will vest upon the third anniversary of the Grant Date;
- Hundred (100) per cent of the number of Warrants granted to the Beneficiary will vest upon the fourth anniversary of the Grant Date.

2.8 Lapse of the Warrants

2.8.1 General

The Warrants shall automatically lapse at the end of the Warrant Period. Warrants which have not been offered to Beneficiaries within one (1) year after the resolution of the Shareholders' Meeting on the approval of the Plan shall also automatically lapse.

2.8.2 Members of the EMT

In case the mandate of a Member of the EMT is terminated for Serious Cause, all Warrants shall automatically lapse.

In case the mandate of a Member of the EMT is terminated for any other reason, and unless otherwise decided by the Board of Directors:

- (i) the Warrants not yet vested in accordance with Section 2.7 of this Plan will automatically lapse;
- (ii) in case the mandate of a Member of the EMT is terminated after the third anniversary of the Grant Date, the Warrants vested in accordance with Section 2.7 of this Plan, may only be exercised by the Member of the EMT during the first full Exercise Window

following the Termination Date; in case the Warrants, vested in accordance with Section 2.7 of this Plan, have not been exercised during the aforementioned Exercise Window, the Warrants will automatically lapse; and

(iii) in case the mandate of a Member of the EMT is terminated before the third anniversary of the Grant Date, the Warrants vested in accordance with Section 2.7 of this Plan, may only be exercised by the Member of the EMT during the first full Exercise Window after the third anniversary of the Grant Date; in case the Warrants, vested in accordance with Section 2.7 of this Plan, have not been exercised during the aforementioned Exercise Window, the Warrants will automatically lapse.

In case of termination of mandate of a Member of the EMT caused by Death, Retirement or Invalidity, the Warrant Holder may exercise the vested Warrants during the Exercise Windows until the later of (i) the first Exercise Window after 1 January following the third anniversary of the Grant Date of the Warrants, or (ii) the first full Exercise Window after the termination of mandate of the Member of the EMT, after which the Warrants lapse.

2.8.3 Employees

In case the Employment of the Employee is terminated for Serious Cause, all Warrants shall automatically lapse.

In case the Employment of the Employee is terminated for any other reason, and unless otherwise decided by the Board of Directors:

- (i) the Warrants not yet vested in accordance with Section 2.7 of this Plan will automatically lapse; and
- (ii) the Warrants vested in accordance with Section 2.7 of this Plan may be exercised by the Warrant Holder during the first full Exercise Window following the termination of Employment, after which the Warrants lapse.

In case of a termination of Employment of the Employee caused by Death, Retirement or Invalidity, the Warrant Holder may exercise the Warrants vested in accordance with Section 2.7 of this Plan during the Exercise Windows until the later of (i) the first Exercise Window after 1 January following the third anniversary of the Grant Date of the Warrants, or (ii) the first full Exercise Window following termination of Employment, after which the Warrants lapse.

For the purposes of this Section 2.8.3 of the Plan, the Employment of the Warrant Holder will not be considered terminated, if the Warrant Holder has an Employment with another Member of the Group on the Termination Date.

2.8.4 Consultants

In case the Consultancy Agreement is terminated for Serious Cause, all Warrants shall automatically lapse.

In case the Consultancy Agreement is terminated for any other reason, and unless otherwise decided by the Board of Directors:

- (i) the Warrants not yet vested in accordance with Section 2.7 of this Plan will automatically lapse; and
- (ii) the Warrants vested in accordance with Section 2.7 of this Plan may be exercised by the Warrant Holder during the first full Exercise Window following the termination of the Consultancy Agreement, after which the Warrants lapse.

In case of a termination of the Consultancy Agreement caused by Death, Retirement or Invalidity, the Warrant Holder may exercise the Warrants vested in accordance with Section 2.7 of this Plan during the Exercise Windows until the later of (i) the first Exercise Window after 1 January following the third anniversary of the Grant Date of the Warrants, or (ii) the first full Exercise Window following termination of the Consultancy Agreement, after which the Warrants lapse.

For the purposes of this Section 2.8.4 of the Plan, the Consultancy Agreement will not be considered terminated, if the Warrant Holder has an Consultancy Agreement with another Member of the Group on the Termination Date.

2.9 Exercise of Warrants

2.9.1 Exercise period for Employees and Consultants

As soon as the Warrants are vested in accordance with Section 2.7 of the Plan, Employees and Consultants may exercise the Warrants during the Exercise Windows until the expiry of the Warrant Period.

Each Warrant Holder can only validly exercise a Warrant if and to the extent it is in accordance with Sections 2.9.3 and 2.9.4 of the Plan.

2.9.2 Exercise period for Members of the EMT

The Members of the EMT may exercise their Warrants, vested in accordance with Section 2.7 of the Plan, for the first time during the first Exercise Window after the third anniversary of the Grant Date.

Each Warrant Holder can only validly exercise a Warrant if and to the extent it is in accordance with Sections 2.9.3 and 2.9.4 of the Plan.

2.9.3 Exercise in multiples

The Warrants must be exercised in multiples of ten (10), unless this would entail that a number of Warrants cannot be exercised.

2.9.4 Manner of Exercise

The Warrants must be exercised by written notice. The notice can be given at any time during the Exercise Windows if and to the extent that the written notice will be in the possession of the

Company at the latest on the last day of the Exercise Window, unless otherwise decided by the Board of Directors. The notice must be made by registered mail, by letter countersigned for receipt or by personal delivery and must be addressed to the Board of Directors or the Secretary at the registered office of the Company. The exercise notice should indicate the number of Warrants of which the exercise is requested, and must be signed by the Warrant Holder or by a special proxy holder appointed by the Warrant Holder. The exercise notice will be in the form as determined by the Board of Directors or the Secretary.

The correct Exercise Price for the number of Warrants being exercised shall be paid within eight (8) Business Days following the request of exercise by wire transfer into a special account opened in the name of the Company.

2.10 Change of Control

Without prejudice to the provisions of the last paragraph of this Section 2.10, the Exercise Term for the Beneficiaries shall automatically be reduced to two (2) months in the event of a change of Control over the Company and the Exercise Windows shall be adjusted accordingly so that the Warrant Holder has a period of no less than one (1) month in which he or she may exercise the Warrants.

Such reduction and/or adjustment are accompanied by a right of immediate exercise of all Warrants accepted by the Beneficiaries.

The Beneficiaries shall however be entitled to definitively and unconditionally waive the above reduction of the Exercise Term and the subsequent adjustment of the Exercise Windows in their entirety. In that case the provisions of Section 2.9 of the Plan shall remain fully applicable. The full, unconditional and definitive waiver shall be notified to the Company in accordance with Section 2.18.1 of the Plan. Partial and/or conditional waivers shall not be allowed.

2.11 Member of the Group

Unless otherwise decided by the Board of Directors, the Warrants not yet vested in accordance with Section 2.7 of this Plan will automatically lapse if the Subsidiary with which the Warrant Holder has an Employment no longer qualifies as a Subsidiary and thus no longer a Member of the Group.

If the Subsidiary with which the Warrant Holder has an Employment no longer qualifies as a Subsidiary and thus no longer a Member of the Group, the Warrant Holder may exercise, unless otherwise decided by the Board of Directors, the Warrants vested in accordance with Section 2.7 of this Plan during the Exercise Windows until the later of (i) the first Exercise Window after 1 January following the third anniversary of the Grant Date of the Warrants, or (ii) the first full Exercise Window following if the date on which the Subsidiary no longer qualifies as a Subsidiary and thus no longer as a Member of the Group, after which the Warrants automatically lapse.

2.12 Issuance of Shares

The Company will only be obliged to issue Shares following the exercise of Warrants if all the conditions mentioned under Section 2.9 of the Plan are complied with.

The Shares will be issued as soon as reasonable possible after the end of the Exercise Period during which the Warrants were validly exercised, taking into account the required administrative formalities. The Board of Directors or one or several authorized directors will make a statement before a notary public in accordance with Article 591 of the BCC, that the share capital of the Company is increased.

2.13 Rights

The new Shares issued upon the exercise of Warrants will rank equally in all respects with the Shares existing on the date of issuance and will be entitled to dividend rights for the complete financial year in which they are issued. The Shares will be in dematerialized form.

2.14 Consents

Every offer or issuance of Shares will be subject to the necessary consents and to the applicable laws and regulations in force in Belgium or elsewhere at that time. The Warrant Holder will be responsible for complying with all requirements in order to obtain any such consent.

2.15 Articles of association

Any Shares acquired upon the exercise of Warrants shall be subject to the articles of association of the Company as in force at that time.

2.16 Listing

If and as long as its Shares are listed on the Stock Exchange, the Company will undertake to do the necessary to obtain the listing of the Shares issued under the Plan as soon as practicably possible after their issuance.

The Warrant Holder will under no circumstances be entitled to claim any damages for a delay in the listing of the Shares.

2.17 Transfer restrictions

The Shares issued as a result of the exercise of the Warrants are not subject to any restrictions on transfer, except for those provided by mandatory legal or statutory provisions.

2.18 General

2.18.1 Notices

Any notice or other document given to a Beneficiary or a Warrant Holder may be validly delivered or sent to him by post at his or her home address according to the records of the relevant Member of the Group or at such other address which the Member of the Group considers appropriate.

2.18.2 Administration of the Plan

The Board of Directors has the power to interpret this Plan and to adopt rules for its administration, interpretation and application that are consistent with the Plan and to interpret, amend and revoke these rules.

2.18.3 Costs

The Company will bear the costs of the issuance and the administration of the Plan, including the costs relating to the capital increase and the issuance of Shares pursuant to the exercise of the Warrants.

2.18.4 Taxes

Stock exchanges taxes, income taxes and any other similar taxes or duties related to the granting, vesting and exercise of the Warrants will be borne by the Warrant Holder.

2.18.5 Terms of Employment

Nothing in this Plan will in any way be construed as imposing a contractual obligation of Employment between a Member of the Group and a Warrant Holder, nor as a commitment of the Board of Directors to grant Warrants. The Warrant Holder will under no circumstances be entitled to claim any compensation in respect of the Plan at termination of Employment, including but not limited to the application of tax law.

2.18.6 Withholding Tax

Any Member of the Group may withhold any amount and make any such arrangements on behalf of the Warrant Holder, including but not limited to the sale or reduction of the number of Shares, as it considers necessary to settle the taxation or social security contributions in respect of Warrants granted to the Warrant Holder pursuant to this Plan.

2.19 Amendments and Termination

2.19.1 Amendments and suspension of the Plan

The Board of Directors may, in whole or in part, amend or suspend the Plan at any time, as far as the law does not demand the shareholders' meetings approval. In exceptional circumstances, the Board of Directors may, exclusively in the Company's interest, deviate from the rules concerning the exercise of the Warrants or other provisions of this Plan. The amendment or suspension of this Plan cannot restrict the rights and obligations associated with an offered Warrant without the consent of the Warrant Holder concerned.

2.19.2 National legislation

Notwithstanding any provision of the Plan, the Board of Directors may amend or extend the provisions of the Plan and the terms of the Warrants as it considers necessary or useful to take into account, to mitigate, or to comply with relevant foreign legislation including but not limited to tax, financial or exchange control laws applying to the Beneficiary, provided that the terms of

Warrants granted to such Beneficiaries are not considerably more favorable than the terms of the Warrants granted to other Beneficiaries.

2.19.3 Notice

The Board of Directors will give written notice to any Warrant Holder directly affected by an amendment as soon as possible after such amendment.

2.19.4 Termination of the Plan

The Board of Directors may terminate the Plan at any time. If this did not happen before the fifth (5th) anniversary of its adoption by the shareholders, the Plan will terminate at this date. The Warrants not granted at the time of such termination will automatically lapse. The Warrants granted before such termination will remain valid and exercisable subject to the conditions of this Plan.

2.19.5 Governing Law

The Plan and all Warrants are governed by Belgian law.

3 Operation of the Plan

The Warrants shall be offered to persons who commit themselves to the Option Group and make themselves useful to it, or could do so in the future.

The Board of Directors shall, in execution of the powers to be granted to it by the Shareholders' Meeting, allocate the majority of the Warrants to Members of the EMT and to a number of Consultants of the Option Group, if and to the extent that these persons qualify as a Beneficiary according to the abovementioned terms and conditions. These Members of the EMT and Consultants shall be listed in the annex to the special report of the Board of Directors on the cancellation of the preferential subscription right. A number of Warrants shall also be granted to Employees who qualify as Beneficiaries.

4 Justification

The Option Group is currently repositioning strategically within the wireless data market. This is deemed necessary as fierce price competition from (mainly) Chinese competitors resulted during 2010 and 2011 in the further decline of selling prices and profit margins on USB devices. In addition, the difficult economic environment increased customers' focus on price, favouring low end volume products. Therefore, the Option Group has responded by repositioning itself to hardware independent software solutions, end-to-end services for mobile operators and specific segments where the Option Group may create an added value by means of their embedded module portfolio.

In order to do so successfully, the Option Group needs to support and realize the following business and personnel objectives:

- (i) encouraging and rewarding Members of the EMT, Employees and Consultants who are able to contribute to the success and long-term growth of the Option Group; and
- (ii) assisting the Option Group to attract and retain Members of the EMT, Employees and Consultants with the required experience and skills; and
- (iii) to align more closely the interests of Members of the EMT Employees and Consultants with those of the Option Group's shareholders by providing them the opportunity to share in the added value and the growth of the Option Group; and

In order to reach said objectives, Members of the EMT, Employees and Consultants must be motivated properly. Such motivation can, *inter alia*, consist of enabling Members of the EMT, Employees and Consultants to participate in the Company's share capital. This is one of the purposes of the issuance of the Warrants to the Beneficiaries. Furthermore, in the context of the strategic repositioning, co-operation between Members of the EMT, Employees and Consultants is of predominant importance. As Warrant Holders and, possibly, as future shareholders, these Beneficiaries shall feel more closely involved with the results of the Option Group. Consequently, the personal interests of these persons shall be directly linked to the interests of the Option Group.

The Board of Directors also wants to emphasise on the fact that, except as provided under 2.10 above, the Members of the EMT may only exercise their vested Warrants after at least 3 years after they have been granted. The latter rule is set forth in the Law of 6 April 2010, which provides that shares, stock options or other rights to acquire shares, which are granted to directors, member of the management committee (as referred to in Article 524bis of the BCC), member of the daily management body and the other executives of a company may not be exercisable earlier than 3 years after they have been granted. The Board of Directors of the Company has decided that this rule shall also apply to the Members of the EMT and that the Company, except for the situation as described in 2.10 above, will not make further use of the possibility to deviate from this rule by obtaining the prior approval of the Shareholders' Meeting, as foreseen in the aforementioned Law of 6 April 2010.

Finally, the Board of Directors is of the opinion that the grant of Warrants to Members of the EMT is in line with common practice in the international and highly competitive high-tech and telecom sector.

Executed in Leuven-Heverlee, on _____ 2012.

For the Board of Directors,

Jan Callewaert
Managing Director