

GALAPAGOS

Limited Liability Company

With registered office in 2800 Mechelen, Generaal De Wittelaan L11 A3 (Belgium)

Court district Mechelen (Belgium)

Registered with the registry of legal persons under number 0466.460.429

COORDINATION OF THE ARTICLES OF ASSOCIATION PER 19 DECEMBER 2011

Incorporated according to a deed executed by notary Aloïs Van den Bossche, in Vorselaar, on 30 June 1999, published in the annexes to the Belgian State Gazette under number 990717-412.

The articles of association of which were published according to a deed of notary Damien Hisette, associated notary in Brussels, on 29 March 2005, published in the annexes to the Belgian State Gazette under number 20050429-05063071.

[*This paragraph is an abbreviation from the Dutch version*] The articles of association were modified at different occasions, latest according to a deed executed by notary Matthieu Derynck, associated notary in Brussels, on 19 December 2011.

This document is an English translation of a document prepared in Dutch. It is made for purposes of convenience. In preparing this translation, an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. Inevitably, however, differences may occur in translation and if they do, the Dutch text will govern by law. In this translation, Belgian legal concepts are expressed in English terms and not in their original Dutch terms. The concepts concerned may not be identical to concepts described by the terms as such terms may be understood under the laws of other jurisdictions. The history of modification of the statutes, as set forth on this first page, is an abbreviation from the Dutch text and indicates only the latest modification.

Title I – Name – Registered Office – Purpose – Duration

1. FORM AND NAME

The company has the form of a limited liability company ("*naamloze vennootschap*" / "*société anonyme*") and has the capacity of a company that calls or has called upon public savings in the meaning given to it by the code of companies.

The company bears the name "GALAPAGOS". This name should always be preceded or followed by the words "*naamloze vennootschap*" or the abbreviation "NV", or in French "*société anonyme*" or the abbreviation "SA", and this in all deeds, invoices, announcements, publications, letters, orders and other documents issued by the company.

2. REGISTERED OFFICE

The registered office of the company is located in the Flemish Region or in the Brussels Region. The board of directors can relocate the registered office to any other place in the Flemish Region and the Brussels Region without a modification of the articles of association or a decision of the general meeting of the company being required. It takes care of the publication of each change of the registered office of the company in the Annexes to the Belgian State Gazette.

The board of directors is also empowered to incorporate branch offices, corporate seats and subsidiaries in Belgium and abroad.

3. PURPOSE

The company's purpose consists of:

- a) the development, the construction and exploitation of gene libraries for functional genomics research;
- b) the research for the development of health products for human beings and animals, pharmaceutical products and other products relating thereto;
- c) the development, testing, scaling up, and exploitation of gene therapy procedures, as well as the development, evaluation and exploitation of clinical applications of such procedures;
- d) for its own account or for the account of third parties, the performance of research in the field of or in connection with biological and industrial technology, genetics and human and animal life in general;
- e) the acquisition, sale and licensing of patents, trademarks, industrial and intellectual property, whether or not secret, and licenses.

For these purposes the company may, in Belgium and abroad, acquire or lease any license, movable or immovable property necessary or useful for its commercial or industrial purpose, operate, sell or lease same, build factories, establish subsidiaries and branches, and establish premises. It may engage in all operations with banks, post cheque, invest capital, contract or grant loans and credit facilities, whether or not mortgaged. The company may, by means of contribution, participation, loans, credit facility, subscription of shares, acquisition of shares and other commitments, participate in other companies, associations or enterprises, both existing as to be incorporated, and whether or not having a purpose similar to the purpose of the company. The company may merge with other companies or associations.

The company may incorporate subsidiaries both under Belgian as well as under foreign law.

The company may acquire or establish any property that is necessary or useful for its operations or its corporate purpose.

4. DURATION

The company is incorporated for an unlimited duration.

Except for dissolution by court, the company can only be dissolved by the extraordinary general meeting of shareholders in accordance with the provisions of the code of companies concerning the winding up of companies.

Title II – Capital

5. SHARE CAPITAL

The share capital amounts to one hundred and forty two million nine hundred twenty eight thousand six hundred sixty two euro eighty one eurocent (EUR 142,928,662.81). It is represented by twenty six million four hundred twenty one thousand four hundred forty one (26,421,441) shares without nominal value.

Each share represents an equal part of the share capital of the company.

6. CHANGING OF THE SHARE CAPITAL

The general meeting, deliberating in accordance with the provisions applicable for a modification of the articles of association, may increase or reduce the share capital. The issue price and the conditions of the issue of new shares are fixed by the general meeting upon a proposal by the board of directors.

The shares that are subscribed in cash, are to be offered first to the shareholders, in proportion of the part of the share capital that is represented by their shares during a period of fifteen days counting as of the day the subscription is opened.

The general meeting determines the subscription price and the manner in which the preferential subscription rights may be exercised.

The general meeting, or as the case may be the board of directors in the framework of the authorized capital, may decide to increase the share capital for the benefit of the employees, subject to the provisions of article 609 of the code of companies.

The preferential subscription rights may be restricted or cancelled by the general meeting, subject to the relevant provisions set forth by law, in the interest of the company in accordance with the provisions of article 596 of the code of companies.

In case of reduction of the share capital the shareholders who find themselves in equal circumstances are to be treated equally, and the applicable provisions set forth by law are to be respected.

7. CALL FOR PAYING UP

The board of directors decides solely on the calling for paying up on shares. The commitment to pay up on a share is unconditional and indivisible.

In case that shares that are not fully paid up belong, in joint ownership, to several persons, each of them is liable for the paying up of the full amount of the payments that are due and called for.

In case a shareholder has not made the paying up on his shares that is called for within the period of time set by the board of directors, the exercising of the voting rights attached to the shares involved are suspended by law as long as such paying up is not made. Furthermore, the shareholder will by virtue of law owe to the company, counting as of the due date, an interest equal to the legal interest increased by two percent, on the amount of funds called for and not paid up.

In the event the shareholder does not act upon a notice sent by the board of directors by registered letter after the period of time set by the board of directors, the latter may have the shares involved sold in the most appropriate manner, without prejudice to the right of the company to claim from the shareholder the funds not paid up as well as compensation for damages as the case may be.

The proceeds of such sale will belong to the company to an amount equal to the sum that is due to it for reasons of the funds that are called for, the interests and the costs incurred. The balance, if any, will be delivered to the defaulting shareholder if he is not a debtor of the company for another reason. If the proceeds of the sale are not sufficient to cover the obligations of the defaulting shareholder, the latter will owe the company for the difference.

The shareholder may not pay up his shares without the prior approval of the board of directors.

8. NOTIFICATION OF IMPORTANT INTERESTS

For the application of the articles 1 to 4 of the Law of 2 March 1989 relating to the disclosure of important interests in companies listed on a stock market and to the regulation

of the public takeover bids, the applicable quota are established at five percent and multiples of five percent.

9. NATURE OF THE SHARES

The shares are registered shares until they are fully paid up. The fully paid up shares are bearer shares or registered shares, according to the preference of the shareholder. The company may issue dematerialised shares, either by a capital increase or by the conversion of existing registered shares or bearer shares into dematerialised shares. Each shareholder may by written request, at its own cost, ask the board of directors for conversion of his shares, either into bearer shares, or into registered shares, or into dematerialised shares. Conversion of bearer shares into registered shares occurs by registration in the register of shareholders, dated and signed by the shareholder or its proxy and two directors of the company.

A bearer share is signed by at least two directors.

The signatures may be replaced by name stamps.

The bearer securities that have been issued by the company and that are on a securities account on 1 January 2008, exist in dematerialized form as of that date. The other bearer securities also will automatically become dematerialized to the extent that they will be credited to a securities account as of 1 January 2008.

10. EXERCISE OF RIGHTS ATTACHED TO THE SHARES

With respect to the company the shares are indivisible. If a share belongs to different persons or if the rights attached to a share are divided over different persons, or if different persons hold the rights *in rem* to the shares, the board of directors may suspend the exercise of the rights attached thereto until one single person has been designated as shareholder towards the company and notification thereof has been given to the company. All convocations, notifications and other announcements by the company to the different persons entitled to one share are made validly and exclusively to the designated common representative.

11. ACQUISITION BY THE COMPANY OF, AND DISPOSAL OF OWN SHARES

The general meeting may decide to acquire its own shares and to dispose thereof in accordance with article 620 and following of the code of companies.

12. BONDS AND WARRANTS

The board of directors is entitled to issue bonds on the conditions it deems appropriate, whether or not such bonds are guaranteed by a mortgage or otherwise.

The general meeting may resolve to issue convertible bonds or warrants in accordance with the provisions of the code of companies.

The bearer bonds are legally valid if signed by at least two directors. The signatures may be replaced by name stamps.

Title III – Administration and supervision

13. COMPOSITION OF THE BOARD OF DIRECTORS

The board of directors counts minimum five and maximum 9 members, who need not be a shareholder, of which at least three are independent directors. The independent directors need to meet the criteria determined in article 524 §4 of the code of companies. Half of the members of the board are non-executive directors.

The directors are appointed by the general meeting. The duration of their mandate may not exceed four years. Directors whose mandate has come to an end may be re-appointed.

However, as long as the general meeting for any reason whatsoever does not fill the vacancy, the directors whose mandate has expired, remain in their position.

The general meeting may dismiss a director at any time.

In case a legal entity is appointed as a director of the company, this legal entity appoints a permanent representative, in accordance with the legal provisions applicable therefore.

14. UNTIMELY VACANCY

In case of an untimely vacancy in the board of directors, the remaining directors have the right to fill the vacancy until the general meeting appoints a new director. The appointment will to that effect be put on the agenda of the first following general meeting. Each director that has in this manner been appointed by the general meeting will finish the mandate of the director he replaces unless the general meeting decides otherwise.

15. CHAIR

The board of directors elects amongst its members a chairman.

16. MEETINGS OF THE BOARD OF DIRECTORS

The board of directors is convened by the chairman or by two directors or by a person entrusted with the day-to-day management, each time the interests of the company so require.

The convocations mention place, date, hour and agenda of the meeting and, except in the event of urgency (which will be motivated in the minutes), are sent in writing at least four calendar days prior to the meeting.

If the chairman is unable to attend, the board of directors is chaired by the director entrusted with the day-to-day management.

The validity of the convocation cannot be challenged if all directors are present or validly represented.

17. DELIBERATION

The board of directors can only validly deliberate if at least half of its members are present or represented. If this quorum is not met, a new meeting can be convened with the same agenda, that will be able to deliberate validly and resolve if at least two directors are present or represented.

Board members can be present at the meeting of the board of directors by electronic communication means, such as among others, phone- or videoconference, provided that all participants to the meeting can communicate directly with all other participants. The minutes of the meeting contain the manner in which the directors were present.

With respect to items that were not mentioned in the agenda, the board of directors can deliberate validly only with the consent of all members of the board of directors and insofar all directors are present *in persona*. This consent is deemed to be given, if according to the minutes no objection has been made.

Each director can give a power of attorney to another director to represent him at a meeting of the board of directors, by normal letter, telegram, telex, telefax or any other means of communication, bearing a document in print.

The resolutions of the board of directors are taken by majority of the votes casted. Blanco and invalid votes are not included in the votes casted. In case of equality of votes, the vote of the chairman is decisive.

In exceptional cases, when urgent necessity and the interest of the company so require, the resolutions of the board of directors may be taken by unanimous written consent of the directors.

This procedure may, however, not be followed for the establishment of the annual accounts, the use of the authorized capital or for any other case that is excluded by the articles of association.

The directors need to respect the provisions and formalities set forth in articles 523 of the code of companies.

If at a meeting of the board of directors the required quorum to validly deliberate is present and one or more of the directors need to abstain pursuant to article 523 of the code of companies, then the resolutions are validly taken by majority of the other directors present or represented, even if as a result of the abstention the abovementioned quorum of presence is not met anymore.

If all directors need to abstain according to article 523 of the code of companies the board of directors must, without delay, convene a general meeting that itself will make the decision or appoint an *ad hoc* director who will be charged with the taking of the decision.

All decisions of the board of directors, or all acts performed to execute a decision that relates to:

a) the relationship of the company with another company that is related to the company with the exception of the own subsidiaries of the company;

b) the relationship between a subsidiary of the company and the companies related to such subsidiary with the exception of the own subsidiaries of the company;

should in accordance with the provisions of article 524 §1 to §3 inclusive of the code of companies, be subject to the prior assessment by a committee of three independent directors, assisted by one or more independent experts thereto appointed by the committee of three independent directors, except in those cases where:

(i) the usual decisions and acts that take place at conditions and against guarantees that are usually applicable in the market for similar acts;

(ii) decisions and acts that represent less than one percent (1%) of the net assets of the company as they appear in the consolidated annual accounts.

18. MINUTES

The deliberations of the board of directors are established in minutes that are signed by the chairman and by the members of the board of directors who wish to do so. The powers of attorney are attached to the minutes. If a member expressly refuses to sign the minutes, this will be mentioned in the minutes with the motives of the refusal.

The copies or extracts, in law or otherwise to be submitted, are signed by two directors or by the person entrusted with the day-to-day management. This authority may be delegated to a proxy.

19. AUTHORITIES OF THE BOARD OF DIRECTORS

The board of directors has the most extensive authorities to perform all acts that are necessary or useful to achieve the purpose of the company. The directors always act as a college.

It is authorized to perform all acts that are not by law or by the articles of association reserved for the general meeting.

The board of directors may delegate part of its authorities for special and determined matters to a proxy, even if the latter is not a shareholder or a director.

20. REMUNERATIONS OF THE DIRECTORS

The general meeting may grant fixed and variable remunerations to the directors. The board of directors is empowered to distribute amongst the directors the global remuneration granted by the general meeting.

21. DELEGATION OF AUTHORITIES

(1) Executive committee ("*directiecomité*")

The board of directors may, upon a proposal by the director entrusted with the day-to-day management, delegate its management authorities to an executive committee, provided however that this delegation may not relate to the general strategy of the company or to all acts that based on other provisions of the law are reserved for the board of directors. When an executive committee is established, the board of directors is charged with the supervision of such committee.

This delegation of authorities can be revoked at any time.

If one or more members of the executive committee have an interest of patrimonial nature that is conflicting with a decision or an act that belongs to the authority of the executive committee, this decision will be taken by the board of directors.

The executive committee consists of several persons, who may or may not be a director and who are appointed by the board of directors, who also determines the conditions of their appointment, their dismissal, their remuneration, the duration of their mandate and the manner of operating of the executive committee.

The establishment of an executive committee can be opposed to third parties under the conditions determined in the code of companies. The publication contains an explicit reference to the relevant article of the code of companies.

Restrictions or allocations of activities as the case may be, that the members of the executive committee have agreed cannot be opposed to third parties, even if they have been published.

(2) Day-to-day management

The board of directors is authorized to delegate the day-to-management as described in article 525 of the code of companies and the representation as far as such management is concerned to one or more persons, who may or may not be a director. The board of directors appoints and dismisses the person(s) delegated to such management, and determines the remuneration linked to this mandate. If the person to whom the day-to-day management is delegated also exercises a directorship in the company, this person is called managing director ("*gedelegeerd bestuurder*"). If this person is not a director, this person is called general manager ("*algemeen directeur*").

If several persons are appointed, they form a board that is called executive board ("*executief comité*"). The board of directors arranges the further operations of the executive board.

Limitations of the representation powers of the members of the executive board with regard to the day-to-day management, other than those relating to the joint signatory authority, cannot be opposed to third parties, even if they are published.

(3) Special powers

The board of directors, the executive committee or the person(s) with delegation for the day-to-day management may, within the limits of the authority delegated to them, grant special and determined powers to one or more persons of their choice.

22. REPRESENTATION

(1) General authority

Without prejudice to the general representation authority of the board of directors acting as a college, the company is at law and otherwise validly represented by two directors acting jointly or by one director acting jointly with a member of the executive committee who do not have to submit proof of a prior resolution of the board of directors.

(2) Delegated management authorities

Without prejudice to the aforementioned representation authority the company is also validly represented, within the limits of the authority that can legally be transferred to the executive committee, by two members of the executive committee acting jointly.

The company is also at law and otherwise validly represented for matters of day-to-day management by the managing director(s) acting solely or jointly in execution of the resolution of delegation by the board of directors.

Moreover, the company is validly bound by special holders of a power of attorney within the limits of the powers granted to them.

When the company is appointed as director, managing partner, member of the executive committee or liquidator of another company, it will appoint amongst its shareholders, directors or employees a permanent representative who is entrusted with the execution of the mandate in the name and for the account of the company.

23. COMMITTEES WITHIN THE BOARD OF DIRECTORS

The board of directors establishes an audit committee and a remuneration- and nomination committee.

The board of directors may amongst its members, and under its responsibility, establish one or more advisory committees, of which it determines the composition and the missions.

24. CONTROL

To the extent required by law, the control of the financial situation, of the annual accounts and of the regularity from point of view of the code of companies and the articles of association of the activities to be reflected in the annual accounts, are assigned to one or

more statutory auditors ("*commissarissen*") who are appointed by the general meeting amongst the members of the Institute of Company Auditors ("*Instituut van Bedrijfsrevisoren*") and who carry the title of statutory auditor ("*commissaris*").

The general meeting determines the number of statutory auditors and fixes their remuneration.

The statutory auditors are appointed by the general shareholders' meeting, in accordance with the applicable legal provisions, for a renewable period of three years. Under penalty of damages they may during their mandate only be dismissed for legal reasons by the general meeting, subject to respect of the procedure described in the code of companies.

The function of statutory auditor that expires, ceases immediately after the annual general meeting.

In the absence of statutory auditor when his appointment is required by law or when all statutory auditors are in the impossibility to perform their mandates, the board of directors immediately convenes the general meeting to arrange for their appointment or replacement.

The statutory auditors are granted a fixed amount by the general meeting; this amount is established at the commencement of their mandate. This amount may be changed only by consent of the parties.

25. TASK OF THE STATUTORY AUDITOR

De statutory auditors have, jointly or severally, an unlimited right of control over all activities of the company. They may at the premises of the company review all books, correspondence, minutes and in general all documents of the company.

Each half year the board of directors delivers to them a status report summarizing the assets and liabilities of the company.

The statutory auditors may arrange to be assisted in the performance of their task, at their costs, by employees or other persons for whom they are responsible.

Title IV – General meetings

26. COMPOSITION AND AUTHORITIES

The regularly composed general meeting represents the generality of the shareholders. The resolutions of the general meeting are binding for all shareholders, even for those absent or those who voted against.

27. MEETING

The annual general meeting is held on the last Tuesday of the month of April at fourteen hour. If this day is a public holiday, the general meeting will be held on the next following working day also at the fourteenth hour.

The annual general meeting deals with the annual accounts and, after approving them, resolves by separate votes on the acquittal of the directors and the statutory auditor.

An extraordinary general meeting may be convened each time the interest of the company so requires and is to be convened each time shareholders representing together one fifth of the share capital so request.

Shareholders who own at least five percent of the share capital, have the right to have additional items put on the agenda.

The general meetings take place at the registered office of the company or at any other place that is mentioned in the convocation.

28. CONVOCATION

The board of directors or the statutory auditor(s) convene the general meeting.

The convocations for a general meeting mention the agenda and are made by means of an announcement that is placed:

a) at least twenty four days prior to the meeting, in the Belgian State Gazette.

If the procedure of the registration date, set forth in article 536 third paragraph, is used, this period is of at least twenty four days prior to the registration date; in case a new convocation is required and the date of the second meeting is mentioned in the first convocation, the period is at least seventeen days prior to the meeting or at least seventeen days prior to the registration date, as the case may be;

b) except for the annual general meetings that take place in the municipality, at the place, the day and the hour set forth in the act of incorporation with an agenda that is limited to the dealing with the annual accounts, the annual report and, as the case may be, the report of the statutory auditors and the vote on the acquittal to be given to the directors and, as the case may be, to the statutory auditors, at least twenty four days prior to the meeting, in a nationally distributed paper.

If the procedure of the registration date, set forth in article 536 third paragraph, is used, the announcement should take place at least twenty four days prior to the registration date; in case a new convocation is required and the date of the second meeting is mentioned in the first convocation, the announcement of the second meeting is to take place at least seventeen days prior to the meeting, or as the case may be, at least seventeen days prior to the registration date.

Together with the convocation letter, a copy of the documents to be made available in accordance with the code of companies, is sent to the holders of registered shares, to the directors and to the statutory auditors, as the case may be.

A copy of these documents is sent to the persons who, ultimately seven days prior to the meeting, have fulfilled the formalities prescribed by the articles of association to be admitted to the meeting. The persons who have fulfilled these formalities after said point in time receive a copy of these documents at the general meeting.

Every shareholder, bond holder, warrant holder or holder of a certificate that has been issued with the cooperation of the company, may, against submission of his security certificate, as of fifteen days prior to the general meeting, obtain at the registered office of the company a copy of these documents at no cost.

29. ADMISSION

To be admitted to the general meeting, the owners of registered shares must, at least three working days prior to the meeting, communicate in writing to the board of directors their intention to participate in the general meeting, if the board of directors so requests in the convocation.

If the board of directors so requests in the convocation, the owners of bearer shares must within the same period deposit their shares at the place indicated in the convocation. They are admitted to the meeting upon presentation of a proof that states that such deposit has been made.

The owners of dematerialised shares must, within the same period, submit to the institutions designated by the board of directors, a certificate issued by either the acknowledged account holder or the clearing institution establishing the unavailability of these shares until the general meeting.

The holders of bonds may attend the general meeting subject to respecting the admission conditions applicable to shareholders.

In accordance with article 536 of the code of companies the convocation for the general meeting may provide for a registration date. In that case, the shareholders may participate in the general meeting and exercise their voting rights with respect to the shares they hold by the twenty fourth hour on the registration date, disregarding the number of shares they hold at the date of the general meeting. This registration date cannot be set earlier than the fifteenth day and not later than the fifth working day prior to the general meeting.

An attendance list, mentioning the names of the shareholders and the number of titles they represent, must be signed by each of them or by their proxies prior to attending the meeting.

30. REPRESENTATION

Each shareholder may give in writing a proxy to represent him at the general meeting. The proxy holder does not need to be a shareholder.

The board of directors may in the convocation determine the form of the proxies and request that they are submitted at least three working days prior to the general meeting at the place specified in the convocation.

31. BUREAU

Every general meeting is chaired by the chairman of the board of directors or, absent any chairman or if the chairman cannot attend, by another director thereto appointed by his colleagues.

The chairman of the meeting appoints the secretary, who does not necessarily need to be shareholder or director.

If the number of shareholders so allows the general meeting elects two vote counters. The directors who are present complete the bureau.

32. ADJOURNMENT

The board of directors may adjourn each general meeting, in session, up to three weeks. Such adjournment nullifies every decision taken.

If pursuant to the legal provisions for the convocation of the general meeting the period of convocation exceeds the period of three weeks, the meeting is adjourned for as long as necessary to make a valid convocation.

33. NUMBER OF VOTES – EXERCISE OF THE VOTING RIGHT

Each share entitles the holding shareholder to one vote.

The holders of bonds may attend the general meeting, though only with an advisory vote.

34. DELIBERATION

An attendance list on which the name the shareholders and the number of shares with which they attend the meeting are mentioned, is signed by each of them or by their proxy holder prior to the opening of the meeting.

The general meeting cannot deliberate on items that are not mentioned in the agenda, unless all shareholders are present or represented at the meeting and they unanimously decide to deliberate on these items.

The directors answer the questions asked by the shareholders relating to the items on the agenda. As the case may be, the statutory auditor(s) answer the questions asked by the shareholders relating to their report.

Except when otherwise provided for by provisions of law or the articles of association, the resolutions are taken by normal majority of the votes cast, irrespective of the number of shares represented at the meeting. Unmarked and invalid votes are not added to the number of votes cast.

If at a resolution for appointment no candidate obtains the absolute majority of the votes cast, a new vote will be organised between the two candidates who obtained most votes. If at such new vote the number of votes is equal, the elder candidate is elected.

The votes are taken by raising hands or by calling off names, unless the general meeting decides otherwise by simple majority of the votes cast.

A change of the articles of association can only be validly deliberated and resolved by an extraordinary general meeting in the presence of a notary with respect to the provisions of the articles 558 and in accordance with the code of companies.

35. MINUTES

The minutes of the general meeting are signed by the members of the bureau and by the shareholders who ask to do so. Attached to the minutes are the attendance list, and as the case may be, the reports, proxies or written votes.

Except when otherwise provided for by law, copies in law or otherwise to be submitted, are signed by the chairman of the board or by two directors.

Title V – Annual accounts – distribution of profits

36. ANNUAL ACCOUNTS

The financial year commences on the first of January and ends on the thirty first of December of each calendar year.

At the end of each financial year the board of directors draws up an inventory as well as the annual accounts. To the extent required by law, the directors also draw up a report in which they render account for their management.

This report contains a comment on the annual accounts in which a true overview is given of the operations and of the position of the company, as well as the information prescribed by article 96 of the code of companies.

37. APPROVAL OF THE ANNUAL ACCOUNTS

The annual general meeting takes note of, as the case may be, the annual report and the report of the statutory auditor(s) and resolves on the approval of the annual accounts.

After approval of the annual accounts the general meeting resolves, by separate votes, on the acquittal of the directors and, as the case may be, of the statutory auditor(s). This acquittal is only valid if the annual accounts do not contain omissions or false statements which cover up the true situation of the company, and, with respect to acts contrary to the articles of association, only if these acts are specifically pointed out in the convocation.

The board of directors ensures that the annual accounts and, as the case may be, the annual report and the other documents mentioned in article 100 of the code of companies are deposited at the National Bank of Belgium within thirty days after the approval of the annual accounts.

38. DISTRIBUTION

Each year an amount of five percent (5%) of the net profit mentioned in the annual accounts is deducted to constitute a statutory reserve fund; this deduction is not mandatory anymore when the reserve fund reaches one tenth of the share capital.

On the proposal of the board of directors the general meeting resolves with normal majority of the votes cast on the destination of the balance of the net profit, subject to the provisions of the code of companies.

39. DIVIDEND PAYMENTS

The payment of dividends occurs at the point in time and the place determined by the board of directors.

Subject to the provisions of the code of companies, the board of directors may distribute interim dividends on the results of the financial year.

Title VI – Dissolution– winding up

40. EARLY DISSOLUTION

When, as a result of losses incurred, the net assets are decreased to a level of less than half of the share capital, the directors must submit the request to dissolve the company and other measures as the case may be, to the general meeting, who will deliberate in accordance with article 633 of the code of companies.

When the net assets, as a result of the losses incurred, are decreased to a level of less than one fourth of the share capital, a resolution to dissolve the company can be taken by one fourth of the votes cast at the general meeting.

When the net assets are decreased to a level below the legal minimum amount, every party having an interest may claim at law the dissolution of the company in accordance with article 634 of the code of companies. As the case may be the court may allow the company a period to regularise its situation.

41. DISSOLUTION

A motion to dissolve the company voluntarily can be resolved only by an extraordinary general meeting of shareholders and is subject to the applicable legal provisions.

After its winding up the company continues by law to exist as a legal person for the purposes of its liquidation, until the closing thereof.

42. WINDING UP

In case of winding up of the company, for any reason or at any time whatsoever, the winding up is performed by liquidators appointed by the general meeting, and absent such appointment, the winding up is performed by the board of directors acting in capacity of winding up committee.

Except when otherwise resolved, the liquidators act jointly. To this effect the liquidators have the most extensive powers in accordance with the articles 186 and following of the code of companies, subject to restrictions imposed by the general meeting.

The general meeting determines the compensation of the liquidators and their powers.

43. APPORTIONMENT

Following settlement of all debts, charges and costs of the liquidation, the net assets are first used to pay back, in cash or in kind, the fully paid up and not yet paid back amount of the shares.

The balance, as the case may be, is divided in equal parts among all shares. The profit sharing certificates are not entitled to a part of the liquidation balance.

If the net proceeds are not sufficient to pay back all shares, the liquidators will first pay back on these shares that are paid up to a higher amount until they are at a level equal to the shares that are paid up to a lesser amount, or they call for an additional paying up of capital in charge of the latter shares.

Title VII – General provisions

44. ELECTION OF DOMICILE

Each director, executive and liquidator who has his official residence abroad, for the duration of his mandate elects domicile at the registered office of the company, where writs of summons and notifications concerning company matters and the responsibility for his management, can be made validly with the exception of the notifications that will be made in accordance with these articles of association.

The holders of registered shares are obliged to notify the company of every change in domicile. Absent such notification, they are deemed to have elected domicile at their previous domicile.

45. LEGAL PROVISIONS INCORPORATED IN THESE ARTICLES OF ASSOCIATION

The provisions of these articles of association that literally contain the contents of the provisions of the code of companies, are solely mentioned for information purposes and do not acquire thereby the character of statutory provision.

46. APPLICABLE LAW

For all matters that are not expressly regulated in these articles of association, or for the legal provisions from which would not be deviated validly in these articles of association, the provisions of the code of companies and the other provisions of Belgian law apply.

47. INDEMNIFICATION

To the extent permitted by law, the company will be permitted to indemnify its directors, employees and representatives for all damages they may be due, as the case may be, to third parties as a result of breach of their obligations towards the company, managerial mistakes and violations of the code of companies, with the exclusion of damages that are due as a result of gross errors.

Temporary provisions of the articles of association

(1) Authorized capital

The board of directors has been granted the authority to increase the share capital of the company, in accordance with articles 603 to 608 of the code of companies, in one or several times, to the extent set forth hereafter. This authorization is valid for a period of five years from the date of this authorization, i.e. 23 May 2011.

Without prejudice to more restrictive rules set forth by law, the board of directors may increase the share capital of the company in one or several times with an amount up to € 35,647,692.61, i.e. twenty five per cent (25%) of the share capital existing at the moment of the convocation for the general meeting granting this authority.

Without prejudice to the previous paragraph and without prejudice to more restrictive rules set forth by law, the board of directors may increase the share capital of the company in one or several times with an amount up to € 142,590,770.44, i.e. one hundred per cent (100%) of the share capital existing at the moment of the convocation for the general meeting granting this authority, upon a unanimous resolution of the board of directors at which all directors are present or represented and relating to (i) the entire or partial financing of a transaction through the issue of new shares of the company, whereby "transaction" is defined as a merger or acquisition (in shares and/or cash), a corporate partnership, and an in-licensing deal, (ii) the issue of warrants in connection with company's remuneration policy for its and its subsidiaries' employees, directors and independent advisors, and (iii) the defence of the company against a hostile take-over bid, and (iv) strengthen the cash position of the company. The maximum amount with which the share capital can be increased in the framework of the authorized capital as mentioned in this paragraph, is to be reduced by the amount of any capital increase realized in the framework of the authorized capital as mentioned in the previous paragraph.

The capital increases within the framework of the authorized capital may be achieved by the issue of shares (with or without voting rights, and where appropriate in the context of a warrant plan for the company's or its subsidiaries' personnel, directors and/or independent advisors), convertible bonds and/or warrants exercisable by contributions in cash or in kind, with or without a share issue premium, and also by the conversion of reserves including share premiums.

When increasing the share capital within the limits of the authorized capital, the board of directors may in the company's interest restrict or cancel the shareholders' preferential subscription rights, even if such restriction or cancellation is made for the benefit of one or more specific persons other than the employees of the company or its subsidiaries.

The board of directors can ask for a share issue premium when issuing new shares in the framework of the authorized capital. If the board of directors decides to do so, such share issue premium is to be booked on a non-available reserve account that can only be reduced or transferred by a decision of the general meeting adopted in the manner required for amending the articles of association.

The board of directors is expressly authorized during a period of three years as of the date of the general meeting which granted this authorization, i.e. 23 May 2011, to increase the company's share capital within the context of the authorized capital by contributions in kind or in cash with restriction or cancellation of the shareholders' preferential subscription rights, even after the Banking, Finance and Insurance Commission has notified the company of a public take-over offer for the company's shares, provided that the relevant provisions of the code of companies are complied with including that the number of shares issued under such capital increase does not exceed one tenth of the shares representing the capital of the Company that is issued prior to such capital increase. The authorization referred to above may be renewed.

The board of directors is authorized to amend the articles of association of the Company to bring them in accordance with the capital increases that have been decided within the framework of the authorized capital, or to instruct a notary public to do so.

(2) Acquisition of own shares

The general meeting of 23 May 2011 expressly has authorized the board of directors to acquire its own shares or profit sharing certificates or certificates and to dispose thereof in accordance with the provisions of the code of companies, if such acquisition is necessary to avoid a threatening serious disadvantage for the company. This authorisation is valid for a period of three years from the publication of the aforementioned resolution in the Annexes to the Belgian State Gazette. This authorisation applies under the same conditions to the acquisition of the shares or profit sharing certificates or certificates of the company, realized by one of its subsidiaries as meant in article 627 of the code of companies.

The general meeting of 23 May 2011 has authorised the board of directors to acquire the according to article 620 of the code of companies maximum permitted number of shares by purchase or exchange at a price that cannot be lower than zero point zero five euro (0.05 EUR) per share and not higher than hundred ten percent (110%) of the price at which such shares were quoted on the Brussels stock exchange on the day preceding the day of the purchase or exchange.

This authorisation is valid for a period of eighteen (18) months counting from the publication of this resolution in the Annexes of the Belgian State Gazette and may, in accordance with article 620 of the code of companies, be extended. This authorisation applies under the same conditions to the acquisition of the shares or profit sharing certificates or certificates of the company, realized by one of its subsidiaries as meant in article 627 of the code of companies.

The board of directors is authorised to dispose, at a price it determines, of all own shares the company holds, on Euronext Brussels or Amsterdam or in the framework of its remuneration policy to employees, directors or consultants of the company. This authorisation is valid without limitation in time. This authorisation also applies to the disposal of shares in the company by one of its directly controlled subsidiaries as meant in article 627 of the code of companies.

(3) Dematerialised shares

The provisions in the articles of association relating to dematerialised shares will enter into effect at the moment that the relevant implementing decrees enter into effect.
