

## FAQ Reverse Stock Split process

### 1. What is a reverse stock split operation?

*The planned reverse stock split consists of an exchange of a defined number of existing Zenitel shares into one new Zenitel share, without changing the amount of the Company's share capital. Following the reverse stock split, each new share shall represent the same fraction of the Company's share capital. Furthermore, all new shares after the completion of the reverse stock split will have the same rights and benefits in all respects, including as to entitlements to dividends.*

### 2. What is the objective of this reverse stock split?

*The Company believes that the reverse stock split is appropriate given the current stock price and the number of shares that is currently outstanding. With the reverse stock split the Company intends to rationalize the number of shares.*

### 3. What is the reverse stock split ratio?

*The reverse stock split ratio is **10-to-1**, meaning that ten (10) existing shares will be exchanged into one (1) new share. Example: a shareholder with thirty (30) shares will receive three (3) new shares.*

### 4. Is the ISIN code for Zenitel shares being changed as a consequence of this reverse stock split operation?

*Yes. The new ISIN code for the consolidated shares is **ISIN BE0974311434**. This change is automatic and shareholders do not need to take any action whatsoever.*

### 5. How many shares will represent the share capital after the operation?

*There are currently 33,108,844 shares.  
The number of new shares following the reverse stock split will be 3,310,884.*

### 6. On what date will the reverse stock split be effective?

*The effective date of the reverse stock split is **10 May 2017**.*

### 7. Can I trade as normal in the new shares prior to 10 May 2017?

*Yes. You can sell any of the new shares as soon as they appear in your account and of course purchase them as soon as they start trading on **08 May 2017**.*

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## 8. Is the exchange of shares automatic?

*Yes. The exchange of shares will take place automatically in the register of shareholders for registered shares, and on shareholders' securities accounts for dematerialized shares.*

*The exchange operation will therefore take place without shareholders being obliged to take any step whatsoever.*

## 9. What will happen for shareholders not holding a number of existing shares corresponding to a multiple of ten (10)?

*The number of new shares held by that shareholder will be rounded down to the lower whole number. The shareholder will be allocated a cash compensation, as the case may be, on a pro rata basis from the net proceeds from the sale of the odd lots of existing shares.*

*Bank Degroof Petercam, mandated by the Company for this transaction, will consolidate the odd lots or fractions of existing shares between **10 May 2017** and **24 May 2017**, or any later date if that should prove necessary, so as to sell the new shares resulting from the consolidation of the fractions. New shares resulting from fractions will be bought by the Company.*

*The net proceeds of the sale of the new shares resulting from the consolidation of fractions will be distributed in cash on a pro rata basis to the holders of odd lots that did not have a number of existing shares corresponding to a multiple of ten (10) within one month as from the closing of the aforementioned sale, provided that the net proceeds shall not be less than one euro cent (EUR 0.01) per existing share. If net proceeds are less or cannot be distributed on a pro rata basis as aforementioned, these shall accrue to the Company. The Company is unable to anticipate the price at which it will buy the new shares resulting from the consolidation of fractions and therefore cannot estimate the proceeds of such sale.*

## 10. What can be done by a shareholder wishing to avoid the appearance of odd lots?

*The shareholder not holding a number of shares corresponding to a multiple of ten (10) may, prior to the reverse stock split, opt to purchase or to sell existing shares, so as to obtain a multiple of ten (10) and thus to avoid the appearance of odd lots when the reverse stock split occurs.*

*The deadline by which the shareholder needs to either buy or sell shares to avoid having odd lots is **5 May 2015** at the close of market trading. <sup>2</sup>*

*A shareholder that does not hold a sufficient number of existing shares to receive a whole number of new shares may receive a cash compensation for the number of existing shares that cannot be exchanged into new shares, but no guarantees can be given as to the amount that will be distributed with respect to such non-exchanged shares (see question 9 above).*

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## 11. What brokerage fees and taxes apply to shareholders with odd lots who approach Degroof Petercam to purchase or sell shares?

*No brokerage fees apply, i.e. this service is provided free of charge. However, a stock exchange tax of 0.27% will be due.*

## 12. Does a reverse stock split alter the stock exchange price of the share?

*Upon the completion of the reverse stock split, the share price will rise mechanically and in proportion to the reduction of the number of shares in circulation.*

*For example: with a reverse stock split ratio of 10 to 1 and a closing price on **5 May 2017** of EUR 1.62, excluding extrinsic circumstances and price evolution due to other factors, the new share price could be EUR 16.20 after the reverse stock split. Please note, however, that the Company cannot anticipate the evolution of the share price and cannot therefore guarantee the impact of the operation on the share price on the stock market following the completion of the reverse stock split.*

## 13. Does a reverse stock split alter the value of the shareholder's portfolio?

*The value of a shareholder's portfolio should conceptually not be affected by the reverse stock split. After the operation, a shareholder will hold fewer Zenitel shares in his or her portfolio, but the value per Zenitel share will have increased proportionally. However, the Company cannot anticipate the evolution of the share price and cannot therefore guarantee the impact of the operation on the share price on the stock market following the completion of the reverse stock split.*

*Furthermore, a shareholder that does not hold a sufficient number of existing shares to receive a whole number of new shares may receive a cash compensation for the number of existing shares that cannot be exchanged into new shares, but no guarantees can be given as to the amount that will be distributed with respect to such non-exchanged shares (see question 9 above).*

## 14. What is the overall timeline for this process from start to finish?

*The timeline will be as follows:*

- **5 May 2017:** Last day of trading of old shares with ISIN BE0003806230.
- **8 May 2017:** New shares with ISIN BE0974311434 will start trading on Euronext.
- **9 May 2017:** Record date (only relevant for clearing between Euronext and Euroclear).
- **10 May 2017:** Reverse Stock Split effective date.
- **10 – 24 May 2017:** Collection of odd lots (i.e. existing shares that have not been exchanged into new shares).
- **24 May 2017:** Pay date of excess shares and odd-lot share compensation.

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