
**Special report of the Board of Directors
in conformity with Article 604 of Belgian Companies Code**

This report is drafted by the Board of Directors of Proximus SA of public law, a public limited liability company under Belgian law, with registered office at 27, Boulevard du Roi Albert II, 1030 Brussels, RPM Brussels 0202.239.951 (the "Company") in accordance with article 604 of the Belgian Companies Code.

1. Authorized capital

Pursuant to Article 604, second paragraph, of the Belgian Companies Code, this report includes the proposal to renew the five-year term with respect to the statutory power of the Board of Directors to increase the Company's share capital in one or several instalments by a maximum amount of two hundred million euro (EUR 200.000.000), including by way of issue of convertible bonds, warrants or any other securities that include a right to subscribe to shares.

The extraordinary general meeting is requested to grant this authorization for a new period of five years as from the date of publication of the amendment of the bylaws, decided by the extraordinary general meeting convened on April 20, 2016.

An initial authorization was given by the extraordinary general meeting on February 19, 2004 and renewed on April 8, 2009. This authorization was renewed a last time on April 16, 2014.

The Board of Directors proposes to maintain the modalities of the initial authorization.

This means that capital increases can be done in any and all form, including but not limited to contributions in cash or in kind, with or without issue premium, the incorporation of reserves and of issue premiums. The incorporation of reserves can occur with or without the issue of new shares.

When the Board of Directors decides to increase the Company's capital within the framework of this authorization by way of issue of new shares subscribed for in cash, it is also empowered, in the Company's interest, to withdraw or restrict the pre-emption rights of the existing shareholders. It is also allowed to do this in favour of one or more specific persons, whether or not employees of the Company or of its subsidiaries.

All decisions of the Board of Directors to make use of the authorized capital when such use implies the restriction or the withdrawal of the shareholders' pre-emption rights within the meaning of 1° and 2° of Article 5, Section 1, of the Company's bylaws, require a majority of two-thirds of the votes cast by the directors present or represented.

Pursuant to Article 6 of the bylaws, the Board of Directors recalls that, no new shares, convertible bonds or warrants are issued without approval by the Crown in the form of a Royal Decree deliberated in the Council of Ministers. Also, no new shares, convertible bonds or warrants are issued to persons other than public authorities if following such issue the direct participation of the public authorities in the share capital at the time of such issue would no longer be higher than 50%, except within the framework of Article 54/7 §1 of the Law of 21 March 1991 on autonomous public sector enterprises.

2. Circumstances in which and goals for which the authorized capital can be used

The Board of Directors will be able to make use of this authority to increase the Company's capital, or to issue convertible bonds, stock options or warrants, in case it is not expedient to convene an extraordinary general meeting, in view of the need for a fast and/or flexible decision-making process; when it cannot be justified to incur the costs of organizing an extraordinary general meeting; or when repeated issues are contemplated. All of the foregoing must be broadly interpreted.

The Board of Directors will thereby pursue the following goals:

- the financing of the Company's growth;
- the remuneration of a contribution in kind;
- additional capital raising at a moment when, in view of the situation on the stock exchanges or on the financial markets, such would be beneficial to the Company;
- additional capital raising on foreign markets;
- the ability to make use of commercial opportunities, such as, by way of example, the opportunity to acquire a company, a business or a branch;
- as a reaction towards a hostile takeover bid, or towards the risk that a blocking minority would be formed that could threaten the stability of the Company, its continuity or its development.

These goals must also be interpreted in the broadest sense.

Brussels, 25 February 2016.



Dominique Leroy
Chief Executive Officer



Stefaan De Clerck
Chairman of
the Board of Directors