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***INFORMATION STATEMENT***  
**RELATING TO THE POSTPONED EXTRAORDINARY GENERAL MEETING OF  
SHAREHOLDERS OF AUGUST 31, 2012**

Following some questions received by EVS Broadcast Equipment (“EVS” or the “Company”) before the first EGM of July 30, 2012 (which had to be postponed because the required quorum was not met), and in order to bring more transparency and assist shareholders in their voting decisions on the different items of the agenda of said postponed EGM of next August 31, 2012, EVS herein further describes and explains the scope and consequences of the different items of the agenda.

**1. Appointment of a new Director**

*Proposed resolution:*

*On the condition precedent that the General Meeting approves the points 2 and 3 of the agenda, the general meeting appoints Mr. Johannes Janssen as Director for a term expiring at the date of the Ordinary General Meeting of May 2016. The mandate is compensated according to the rules applicable to all the members of the Board of Directors, without prejudice to the compensation and advantages that will be attributed to Mr. Johannes Janssen in his quality of Managing Director.*

Last autumn, the previous CEO of EVS left suddenly the company. The Board took the necessary time to select the right external candidate. On May 23, 2012, EVS announced the appointment of Mr. Johannes Janssen as CEO of the Company, starting on September 1, 2012.

Mr. Johannes Janssen (52) has over 25 years of experience in the broadcast video, professional audio and telecommunications equipment industries. He recently served as Chief Executive of the Vitec Videocom division on the Executive Board of the Vitec Group Plc. During his nine years with Vitec Videocom he was the architect behind its significant profitable growth and brand expansion. Prior to that he was VP and General Manager of Phillips Broadcast (formerly BTS) North America where he was instrumental in the successful divestment to Thomson Multimedia and the subsequent acquisition of the Grass Valley Group. He has held senior and executive management positions including those at Philips Electronics Digital Networks in France and Philips Business Electronics in the Netherlands. Mr Janssen holds a Master in Electronic Engineering from the Eindhoven University of Technology (NL).

This resolution is a proposal to appoint him as a member of the Board of Directors.

The compensation package agreed to by EVS and Mr. Johannes Janssen under the Management Services Agreement executed on May 22, 2012 between EVS and Mr. Johannes Janssen (the “MSA”) includes a significant portion of the warrants whose issue is to be approved (at a 75% majority) pursuant to the second resolution and the variable compensation scheme to be approved (at a 50% majority) pursuant to the third resolution. The purpose of the condition precedent set forth in this first resolution (which effectively requires that the second and third resolutions be approved in order for the first resolution to be approved as well) is to make sure that if Mr. Johannes Janssen is appointed as director of EVS, these two key components of the compensation

package of Mr. Johannes Janssen will be approved so as to enable EVS to duly perform its contractual commitments towards Mr. Johannes Janssen under the MSA. We wish to draw the attention of the shareholders on the potentially materially adverse consequences for EVS that the failure to approve both the second and the third resolutions could trigger.

## **2. Issuance of warrants**

### Proposed resolutions:

a) *Report of BDO Atrio, Réviseurs d'Entreprises Soc. Civ. SCRL, statutory auditor, and special report of the Board of Directors drawn up in application of the articles 583, 596 and 598 of the Company Code, explaining the object and the detailed justification of the proposition of issuance of warrants with suppression of preferential subscription rights of shareholders.*

b) *Issuance of 30,000 warrants according to the hereafter mentioned conditions, giving the right to the holders to subscribe to an equivalent number of ordinary shares of the company.*

c) *Suppression of the preferential right of the existing shareholders in favor of the persons designated hereafter.*

d) *Conditions of issuance of warrants:*

*NUMBER OF NOMINATIVE WARRANTS TO BE ISSUED: 30,000*

*SUBSCRIPTION: the warrants are subscribed at the time of the issuance by EVS Broadcast Equipment S.A. The latter, through its Board of Directors, must grant them exclusively to the beneficiaries identified below.*

*BENEFICIARIES: Johannes Janssen, Michel Counson, Jacques Galloy, GALLOCAM S.P.R.L., DWESAM ENGINEERING B.V.B.A., IDOINE S.P.R.L., OB-Servers Ltd, MODALISA Technology SPRL, P&P S.A., SWART B.V., SIMPLE AS IT S.P.R.L., BVE BROADCAST FUSION INC., BOLLE B.V.B.A., Pavel Putilin, Dylan Cameron.*

*ISSUANCE PRICE OF THE WARRANTS: (i) free for the warrants to be granted to Mr. Johannes Janssen, and (ii) free or not for the other beneficiaries, under the conditions to be determined by the Board of Directors.*

*EXERCISE PRICE OF THE WARRANTS: at least the average share price of the last 30 closing prices preceding the day of the offer.*

*EXERCISE PERIOD: warrants can only be exercised as from the fourth civil year following the grant date, within the limits of the Corporate Governance Charter, subject to derogations by the Board of Directors. The warrants can be exercised, in all cases, at least three years after the grant, pursuant to Article 520ter of the Companies Code.*

*TRANSFERABILITY OF THE WARRANTS: non transferable, except by hereditary.*

*RIGHTS: the new shares will have the same rights as the existing shares.*

*GRANT CONDITIONS: the Board of Directors will be able to determine the grant, retention and exercise conditions of the warrants, either through issuance of new shares or by allocation of existing shares.*

e) *Amendments to the Articles of Association in case of exercise of warrants effectively granted, if that exercise results in new share issuance (instead of allocation of existing shares).*

f) *Power to be conferred to two directors acting jointly to:*

*- precise (and possibly a declaration by deed) the exact number of warrants to be issued, the final subscription price of shares, the subscription periods, the procedures for adjusting the rights of the warrants in case of transactions on the capital;*

*- make a declaration by deed of the completion of capital increases and changes in the Articles of Association resulting therefrom;*

*- execute the resolutions to be taken following the above mentioned objects;*

*- for all above mentioned, sign all conventions and generally do what is necessary.*

As mentioned in the Special Report of the Board of Directors on the subject (available on the website of the Company), the issuance of warrants is largely required in relation to the hiring of Mr. Johannes Janssen, whom professional qualities are key to the success of the continued development of the company. The issuance and subsequent grant of warrants is an essential element of the compensation package of M. Johannes Janssen under the MSA, who should become CEO after the Extraordinary General Meeting of August 31, 2012.

No warrants may be granted to Mr. Johannes Janssen on the basis of the existing inventory of warrants, duly issued by EVS at its extraordinary meeting of shareholders of December 5, 2011. This is because Mr. Johannes was not, obviously, identified as a potential beneficiary/grantee of said warrants (as is required by Article 598, first paragraph of the Belgian Company Code).

It is the purpose that 80 to 90% of the 30,000 warrants to be issued (if approved) will be granted to Mr. Johannes Janssen. There is no performance condition associated with the grant as such, but well

a “double stay condition” decided by the Board. Indeed, 1/ they will be granted gradually between the first and fourth anniversary of his arrival (according to the MSA) and 2/ warrants may no longer be exercised if the beneficiary leaves EVS (customary condition for all holders of warrants granted by EVS). We also want to underline that this remains a very reasonable amount as this grant represents a possible dilution of about 0.18% of the total outstanding shares. In addition, the MSA provides that if the general meeting of shareholders of EVS refuses to approve the issue of the warrants, a substitute solution will have to be put in place, and such substitute would in all likelihood be more costly for EVS. Finally, it goes without saying that albeit the grant itself is not subject to performance conditions, the beneficiaries will be hugely incentivized to perform strongly so as to contribute to the creation of value for the shareholders thereby translating into a higher share price.

More generally:

Since December 1999, EVS has set up a stock options/warrants scheme for the group’s employees, directors, consultants and managers. In accordance with the fiscal legislation in force, the scheme has a minimum scope of 3 to 4 years between the granting and effective exercise of a warrant. This warrant distribution policy has been set up in order to gain the loyalty of the members of personnel and other stakeholders and to allow them to participate in the results of the Company. EVS hedges this program through the buy-back of its treasury shares on the stock market. The Board has the authorization from the Extraordinary General Meeting to proceed to these buy-backs.

In July/August 2012, the Board of Directors has granted approximately 200,000 warrants to more than 35% of employees as part of the usual bi-annual corporate grant and mainly based on individual performance criteria.

In view of the 480,500 warrants exercisable at the end of August 2012, the dilution effect represents 3.5% of the share capital, this being partially offset by the 183,372 treasury shares, which represent 1.3% of the number of diluted shares. The voting right and the right to the dividend are suspended during such time as the shares are held by EVS. The warrants are granted at an underlying share value corresponding to the average share price of the last 30 days preceding the grant.

Here is a summary of the different issuances and grants of warrants:

	Number of warrants issued	Possible dilution	Approved (%)	Granted	Exercised with treasury shares/ capital increase
1999	200,000	1.5%	100%	178,000	Treasury shares
2000	200,000	1.5%	100%	-	
2001				203,750	Treasury shares
2002	350,000	2.6%	100%	35,250	Treasury shares
2003				27,500	Treasury shares
2004				112,000	Treasury shares
2005				3,000	Treasury shares
2006				55,400	Treasury shares
2007				1,750	Treasury shares
2008				67,650	Not yet exercised
2010	250,000	1.8%	92.6%	186,550	Not yet exercised
2011	350,000	2.6%	94.9%	2,000	Not yet exercised
2012				±200,000	Not yet exercised
TOTAL	1,350,000			872,850	

At the end of August 2012, 1,350,000 warrants had been issued, 1,072,850 of these warrants had been granted, 489,200 exercised and 103,100 cancelled following departures or repurchased

following sales of subsidiaries, which means that 480,500 can be exercised as of August 15, 2012. As a result, 277,150 warrants are still available for distribution by the Board of Directors. These 277,150 warrants available for grant by the Board are not intended to be granted soon but are for the warrant inventory as it has been the case for the last 10 years. The company usually makes a grant during the month of July of even years (during big summer sporting events actually) and grants warrants for M&A deals, for new employees or special situations.

The maximum possible dilution, calculated as the addition of the number of granted warrants (480,500) and the remaining inventory (277,150), divided by the number of outstanding shares, is 5.6% in August 2012, and will be 5.8% if the issuance of the 30,000 new warrants is approved. That being written, the actual dilution based on allocated warrants is only 3.5% and covers next 4 to 5 years.

### **3. Approval of the variable compensation of Mr. Johannes Janssen**

#### Proposed resolution:

*The meeting approves, in accordance with the article 520ter of the Company Code, the formula to calculate the variable compensation of Mr. Johannes Janssen in his function as Managing Director, as convened (on the condition of its approval by the General Meeting as required by the article 520ter of the Company Code) between the company and Mr. Johannes Janssen in the « Management Services Agreement » signed on May 22, 2012:*

*« In this Agreement: [...] »*

*- “EBIT” shall mean, in respect of any given fiscal year of EVS, the consolidated earnings before interest and tax of EVS in respect of such fiscal year, determined on the basis of the audited consolidated financial statements of EVS in respect of such fiscal year using methods consistent with past and current practices of EVS and on the basis of the current scope of companies of the EVS group (“à périmètre constant”); [...] ».*

*« A yearly variable fee in the gross amount of EUR 250,000 will be due by EVS to the Provider in respect of the fiscal year ending on December 31, 2012, provided that the Provider shall have effectively started performing the Services for the benefit of EVS by September 1, 2012 at the latest. If due, the yearly variable fee in respect of the fiscal year ending on December 31, 2012 shall be paid by EVS to the Provider during the first quarter of 2013.*

*As from the fiscal year ending on December 31, 2013, the Provider shall be eligible to receive a yearly variable fee based on the achievement by EVS of the EBIT target set by the Board of Directors of EVS in respect of a given fiscal year in accordance with the following rules:*

- (i) If the EBIT achieved is less than 80% of the EBIT target, the Provider shall not be entitled to any variable fee;*
- (ii) If the EBIT achieved is at least 80% without exceeding 100% of the EBIT target, the Provider shall be entitled to a variable fee in an amount ranging from 100% to 125% of the Fixed Fees calculated in linear proportion/straight line basis (by way of examples, if the EBIT achieved is 80% of the EBIT target, the Provider shall be entitled to 100% of the Fixed Fees, if the EBIT achieved is 95% of the EBIT target, the Provider shall be entitled to 118.75% of the Fixed Fees and if the EBIT achieved is 100% of the EBIT target, the Provider shall be entitled to 125% of the Fixed Fees), provided however that the variable fee may never exceed 0.70% of the EBIT achieved;*
- (iii) If the EBIT achieved is at least 100% without exceeding 120% of the EBIT target, the Provider shall be entitled to a variable fee in an amount ranging from 125% to 150% of the Fixed Fees calculated in linear proportion/straight line basis (by way of examples, if the EBIT achieved is 100% of the EBIT target, the Provider shall be entitled to 125% of the Fixed Fees, if the EBIT achieved is 110% of the EBIT target, the Provider shall be entitled to 137.50% of the Fixed Fees and if the EBIT achieved is 120% of the EBIT target, the Provider shall be entitled to 150% of the Fixed Fees) provided however that the variable fee may never exceed 0.70% of the EBIT achieved;*
- (iv) If the EBIT achieved is at least 120% without exceeding 125% of the EBIT target, the Provider shall be entitled to a variable fee in an amount ranging from 150% to 235% of the Fixed Fees calculated in linear proportion/straight line basis (by way of examples, if the EBIT achieved is 120% of the EBIT target, the Provider shall be entitled to 150% of the Fixed Fees, if the EBIT achieved is 123% of the EBIT target, the Provider shall be entitled to 201% of the Fixed Fees and if the EBIT achieved is 125% of the EBIT target, the Provider shall be entitled to 235% of the Fixed Fees) provided however that the variable fee may never exceed 0.70% of the EBIT achieved; and*
- (v) If the EBIT achieved is more than 125% of the EBIT target, the Provider shall be entitled to a variable fee in the amount equal to 235% of the Fixed Fees (i.e., the maximum amount of the variable fee to which the Provider may be entitled is 235% of the Fixed Fees) provided however that the variable fee may never exceed 1% of the EBIT achieved.*

*[...] ».*

*For a better understanding of the above provisions extracted from the “Management Services Agreement” signed on May 22, 2012 between the Company and Mr. Johannes Janssen, it is stated that “Fixed Fee” in those provisions are*

referring to an annual gross compensation of EUR 240 000, indexed at 2% on each anniversary of the date of effect ("Effective Date") of the Agreement (i.e. September 1, 2012).

The Board of EVS considered that in order to secure to the fullest extent possible the maximization of the performance of Mr. Johannes Janssen, it was appropriate to set up a compensation package in which the variable component would be determined on a yearly basis (so as to incentivize Mr. Johannes Janssen to meet the targets each year) and would be such that the variable compensation would exceed 25% of the amount of the total compensation package (again so as to incentivize Mr. Johannes Janssen to achieve performance targets). In accordance with Section 520ter of the Belgian Company Code, such features of the variable compensation of Mr. Johannes Janssen require the approval of the meeting of shareholders of EVS.

This remuneration agreement was a compromise between the usual EVS moderated and cautious compensation policy and the necessity to compensate M. Janssen in a reasonable way to be able to attract him, also taking into account some financial advantages that he loses when moving to our Company.

It is noticeable that the variable remuneration has been agreed so that, if the EBIT achieved is less than 80% of the EBIT target, Mr. Janssen shall not be entitled to any variable fee. Apart from this variable remuneration, there is also a "signing and relocation bonus" to our new CEO, which is customary practice in Belgium for CEOs and top foreign employees. While this arguably is not strictly speaking a variable fee, we wanted to inform the shareholders about this signing and relocation bonus for transparency reasons. Main reasons for "signing and relocation bonuses" are foreign executives experience a down in their salaries coming to Belgium (and even Liege, even though cost of living is also a bit cheaper), and there are also costs associated with the relocation.

#### **4. Appointment of a Director in case the General Meeting does not approve the second and/or third point of the agenda**

##### Proposed resolution:

*In case the General Meeting does not approve the second and/or third point of the agenda, the General Meeting appoints M. Johannes Janssen as Director for a term expiring at the date of the Ordinary General Meeting of May 2016. The mandate is compensated according to the rules applicable to all the members of the Board of Directors, without prejudice to the compensation and advantages that will be attributed to Mr. Johannes Janssen in his quality of Managing Director.*

The Company received a request from Mr. Michel Counson, registered owner of 6.5% of EVS shares, to add an additional item to the agenda.

As provided in the Belgian law of December 20, 2010 regarding the exercise of certain rights of shareholders of listed companies, the Company incorporated this new item into the agenda and published it again in due time, i.e. August 16, 2012.

Mr. Michel Counson, co-founder and CTO of EVS, significant shareholder of the Company, wishes, in the interest of EVS, to add this additional item to the agenda in order to give shareholders the possibility to appoint Mr. Johannes Janssen as Director of the Company even if the General Meeting does not approve the second resolution (relating to the issuance of warrants / required majority of 75%) and/or third resolution (relating to the variable compensation of Mr. Johannes Janssen / required majority of 50%) of the agenda.

In the proxy forms received in the preparation process of the first EGM (which had to be postponed because the required quorum was not met), there was a paradox. Some shareholders approved the first resolution (with the condition precedent that such resolution would be approved only subject to the satisfaction of the condition precedent that the second and third resolutions would be approved

as well), but voted against the second and/or the third resolutions. As a consequence, there could be a risk that the first resolution would not be approved and that accordingly Mr. Johannes Janssen could not be appointed as Director.

To address this potential risk, Mr. Michel Counson requested the addition of a new item on the agenda, indeed considering as essential the appointment of M. Johannes Janssen as a Director (and then Managing Director) in order to efficiently pursue the growth of the Company. Mr. Michel Counson however very much hopes that the second and third resolutions of the agenda will be approved because the failure to approve both the second and the third resolutions could translate into potentially materially adverse consequences for EVS.

The Board of Directors respectfully recommends your approval of this resolution.

**5. Delegation of powers**

*Proposed resolution:*

The meeting grants all powers:

- to the Board of Directors for purposes of the implementation of the above resolutions;

No specific comment.

**For more information, please contact:**

Jacques GALLOY, Director & CFO

Geoffroy d'OULTREMONT, Investor Relations & Corporate Communications Manager

Pierre RION, Chairman of the Board of Directors and of the Remuneration Committee

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