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COMBINED GENERAL MEETING OF MAY 20, 2014 INFORMATION NOTE

This information note is designed to give shareholders of the company additional information regarding some proposed decisions, to ensure that they vote on a fully-informed basis at the meetings.

Agenda of the Ordinary General Meeting

No special comment.

Agenda of the Special General Meeting

Article 556 of the Belgian Company Code provides that only the meeting of shareholders may grant third parties rights impacting the assets of the company or giving rise to a debt of or commitment by the company when the exercise of these rights are conditional upon the launch of a takeover bid or a change of control over the company. The decision of the meeting of shareholders must be filed with the clerk's office of the commercial court prior to the receipt by the Financial Services and Markets Authority of the notification pertaining to the takeover bid, otherwise the rights are null and void.

On November 14, 2013, the company entered into a EUR 24 million financing with the European Investment Bank, ING Belgium NV/SA and Fortis Bank NV/SA (BNP Paribas Fortis) in order to partially fund the costs related to its research and development activities program and the building of new facilities which will host said research and development activities.

Each of the financing agreements includes, as is customary, a change of control clause enabling the relevant lender to accelerate its loan and request the immediate repayment thereof if the formalities set forth in Article 556 of the Belgian Company Code are not complied with.

As a result, it is key that the special meeting of shareholders approves these change of control clauses. Failure to do so could entail that the company would have to reimburse all amounts outstanding under such financings. The company however negotiated that in such case any repayment would not be made prior to May 19, 2015.

Specifically, clause 4.03A(3) in the "Finance Contract" with the European Investment Bank says:

"The Borrower shall promptly inform the Bank if a Change-of-Control Event has occurred in respect of itself. At any time after the occurrence of a Change-of-Control Event, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

In addition, if the Bank has reasonable cause to believe that a Change-of-Control Event is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. After the earlier of (a) the lapse of 30 (thirty) days from the date of such request for consultation, or (b) at any time thereafter, upon the occurrence of the anticipated Change-of-Control Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract. The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article:

- (a) a “Change-of-Control Event” occurs if any person or group of persons acting in concert gains control of the Borrower;*
- (b) “acting in concert” means acting together pursuant to an agreement or understanding (whether formal or informal); and*
- (c) “control” means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.”*

Clauses 4.03A(6) and 6.02(B) of the same agreement specifically refer to the formalities set forth in Article 556 of the Belgian Company Code and describe the consequences of the failure to comply therewith:

« 4.03A(6) *BREACH OF ARTICLE 6.02B* »

In case of a breach of Article 6.02B, the Bank may by notice to the Borrower cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract; provided, that if the breach arises due to the circumstances set forth in Article 6.02B(ii) (i.e. the shareholders of the Borrower do not approve the resolution related to Article 4.03A(3)), the Bank shall not demand prepayment under this Article 4.03A(6) prior to 19 May 2015.

The Borrower shall effect payment of the amount demanded under this Article 4.03A on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand. »

« 6.02(B). *Change of Control* »

The Borrower undertakes, for the purposes of article 556 of the Belgian Company Code (“Code des sociétés”), to submit Article 4.03A(3) (Change of Control) together with Article 4.03A(6) (Breach of Article 6.02B) and this Article 6.02B (Change of Control) of this Contract for approval at its next general meeting of shareholders, and, if approved, to deliver promptly a copy of that approval resolution to the Bank, together with evidence that an extract of such resolution has been duly filed with the clerk of the competent commercial court within one (1) month following the date of the general meeting of shareholders. In the event that (i) the Borrower does not comply with the undertakings in this Article 6.02B, or (ii) the shareholders of the Borrower do not approve the resolution related to Article 4.03A(3), the provisions of Article 4.03A(6) shall apply. »

The contract with ING Belgium NV/SA also specifically refers to the formalities set forth in Article 556 of the Belgian Company Code and describes the consequences of the failure to comply therewith:

« Article 6 - Early termination of the Credit Facility

6.1.

If:

- the Credit Facility is used for other purposes than those for which it was granted;*
 - the Borrower fails to respect the legal or statutory obligations with regard to operating and/or environmental conditions; or*
 - any of the situations contemplated in article 8 of the Regulations occurs, subject to Section 6.2 below;*
- the Bank will be entitled to cancel the Credit Facility and to declare immediately repayable any amount in principal, interest or commissions owed pursuant to this agreement, by way of registered mail, with or without acknowledgement of receipt, ordinary letter or fax addressed to the Borrower, without prior notice and taking effect, at the time of its dispatch.*

6.2.

The Borrower undertakes, for purposes of article 556 of the Belgian Company Code (“Code des sociétés”), to submit Article 8 section (n in relation to a change of control of the Regulations (Règlement Général des Crédits - édition 2012) for approval at its next general meeting of shareholders to be held on May 20, 2014, and if approved, to deliver promptly a copy of that approval resolution to the Bank, together with evidence that an extract of such resolution has been duly filed with the clerk of the competent commercial court within one (1) month following the date of the general meeting of shareholders. In the event that (i) the Borrower does not comply with the undertakings in the foregoing sentence, or (ii) the shareholders of the Borrower do not approve Article 8 section (n in relation to a change of control of the Regulations (Règlement Général des Crédits - édition 2012), then the Bank may by notice to the Borrower cancel the undisbursed portion of the Credit Facility and demand prepayment of all amounts drawn down under the Credit Facility, together with accrued interest and all other amounts accrued or outstanding under this Roll-Over Term Loan; provided, that if the breach arises due to the fact that the shareholders of the Borrower do not approve Article 8 section (n in relation to a change of control of the Regulations (Règlement Général des Crédits - édition 2012), the Bank shall not demand prepayment prior to May 19, 2015, notwithstanding any other provision (including any provision set forth in the Regulations (Règlement Général des Crédits - édition 2012)). »

The contract with Fortis Bank NV/SA (BNP Paribas Fortis) similarly refers to the formalities set forth in Article 556 of the Belgian Company Code and describes the consequences of the failure to comply therewith:

« This credit facility is governed by the general lending conditions of our Bank, whose french version is registered in Brussels by the name of "Conditions Générales des Ouvertures de Crédit aux Entreprises", at the sixth registry office, on 20 December 2001, volume 275, sheet 3, number 17, hereinafter referred to as the "General Lending Conditions", of which you acknowledge having received a copy with a free translation.

Our Bank have agreed to make the following modification to aforesaid “General Lending Conditions”

L'Article 20 § 2 d) last - is completed as follows

“If any of the following circumstance arises in respect of the borrower:

- material amendment to the shareholder base which may affect the composition of the management bodies (and persons responsible for management and day-to-day management) or the bank's overall risk assessment, The Borrower commits itself asking express approval of this clause of “change of control “by the shareholders in accordance with article 556 of the Belgian Company Code at the time of the General Meeting envisaged on May 20th, 2014. If the shareholders refuse to give this approval, the Bank will not be able to require an early prepayment before May 19th, 2015 (all amounts drawn down under the Credit Facility together with accrued interest and all other ammounts accrued under this Roll Over Term Loan) which would be justified by this refusal, notwithstanding any contrary clause and without prejudice for the Bank to suspend or terminate the crédit facility in accordance with other clauses of the General Lending Conditions or Particular Conditions or any strictly imperative legal disposition which would be made compulsory by the Belgian Authorities, European or International. »

Agenda of the Extraordinary General Meeting

Authorized Capital

During the Extraordinary General Meeting of shareholders, the Board will propose to renew the authorization to use the Authorized Capital mechanism, under the conditions explained in a Special Report.

As examples, the authorized capital may be used to allow the board to take advantage of an investment opportunity, or to respond quickly to changing capital market, or for staff incentive schemes.

The Board wants to draw the attention of the shareholders on the fact that this mechanism will not be used in case of takeover bids.

Buy back of own shares

During the Extraordinary General Meeting of shareholders, the Board will propose to renew the authorization to buy back shares, under conditions explained in the proposed resolution.

Compared to the former authorization, the Board has increased the minimum share price above which it can buy back shares, in order to better meet corporate governance standards.

As for the authorized capital, share buyback could be used, as examples, to allow the board to take advantage of an investment opportunity, or to respond quickly to changing capital market, or for staff incentive schemes.

The Board wants to draw the attention of the shareholders on the fact that share buyback will not be used in case of takeover bids.

For more information:

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