

Euronav NV

AGM & SGM 20 May 2020 – Written questions and answers

1. **Can the company provide a clear explanation and reconciliation of the distribution for financial year 2019 with its return to shareholders policy, particularly regarding the 80% target?**

Answer:

Two aspects need to be considered when presenting return to the shareholders over the financial year 2019:

- A. The dividend distribution is based on the consolidated financial statements as per 31 December 2019 and calculated as follows:

net income : USD 112,230 k
minus capital gains realized on sale of vessels : USD 14,879 k
net income after deducting cap gains: USD 97,351 k
80% of net income after deducting cap gains: USD 77,881 k
Dividend per share USD 0.35 per share (based on 220,024,713 shares)

The dividend amount of USD 0.35 dividend per share is therefore in line with the target return guidance when compared to underlying earnings for the full year 2019 after stripping out capital gains.

- B. Additionally, taking into account the share buybacks executed over the course of 2019 for an amount of USD 30.965 k, the total return of capital to shareholders related to the full year 2019 is approximately USD 108 million or USD 0.49 per share.

2. **As an alternative for tax-friendly distributions (given practical obstacles relating to capital decrease) the company may consider share buybacks. The request for authorization up to 20% was rejected.**

- a. **On what grounds did shareholders object to 20% and what does the decrease to 10% change?**
b. **Suggestion is for the company to massively buy back own shares and to refrain from cash dividend distributions and to do so immediately (prior to dividend ex-date). Does the company consider doing so?**

Answer:

There are a number of proxy agencies (Glass Lewis, PIRC, ISS) who advise institutional fund managers on how to vote at shareholder meetings. Such advisers are followed closely by many institutions. Despite extensive engagement with us these advisers believe as a matter of policy that granting permission to buy back more than 10% of a company's own shares is detrimental

and against the best interests of all shareholders. This policy stance by the advisers is something that Euronav strongly disagrees with as share buy-back, if executed correctly, does provide long term value creation to shareholders. Also voting advisors such as PIRC seem to underestimate the liability of directors breaching fiduciary duties when "abusing" such authorizations. Euronav on reflection of this policy stance decided to look for approval for 10% buy back rather than 20% as having authority to buy back a portion of shares was better than having no authority at all. For calendar year 2019 Euronav did return USD \$77m via cash dividends and USD \$31m in share buy backs.

- 3. Can the company confirm that agenda item 1 of the current SGM on 20 May 2020 is a mere repetition of the agenda item 3 as rejected during the EGM held on 20 February 2020 and of agenda item 1 of the SGM held on 9 April 2020?**

Answer:

The company can confirm that agenda item 1 of the current SGM is the same agenda item as the one of the SGM held on 9 April 2020 where no attendance quorum was reached.

However, it is different from agenda item 3 as rejected during the EGM held on 20 February 2020 in order to align the agenda item with the voting recommendations from the proxy agencies. As explained in the previous reply, the authorization changed from 20 to 10% with more limited use.

- 4. Can the company confirm that agenda item 1 of the current SGM on 20 May 2020 does not relate to the agenda items 4 and 5 as rejected during the EGM held on 20 February 2020? If agenda item 1 of the current SGM on 20 May 2020 were to be approved, can the company confirm that this authorization will not be interpreted as such?**

Answer:

The company can confirm that agenda item 1 of the current SGM on 20 May 2020 does not relate to agenda items 4 (which related to a different type of buyback authorization on a different legal basis) or agenda item 5 (which related to the disposal of treasury shares under certain circumstances) and, hence, that no interpretation issues should arise.

- 5. Can the company confirm that the authorization as included in agenda item 1 of the current SGM on 20 May 2020 solely purports to create shareholder value by way of:**
- a. buyback and destruction of own shares;**
 - b. buyback for later grant as bonus share to shareholders;**
 - c. buyback for later award to beneficiaries under an RSU schemes of LTIP 2019 and LTIP 2020;**
 - d. buyback for grant to employees; or**
 - e. a combination of the foregoing?**

Answer:

Euronav strongly believes that having authority to repurchase its own shares provides management and the board with a strong mechanism to deliver lasting value to our stakeholders. The above are most common examples of the use of shares bought back. However, that list is not exhaustive. Indeed, buying shares back and retaining them as an asset rather than cancelling them provides maximum optionality going forward as these held shares can be used to create further value – for instance in purchasing another tanker fleet or company. Therefore, in repurchasing our own shares Euronav management intend to retain all options in what remains a very dynamic tanker market. The company however does not and will not use the authorization to be employed as a “poison pill” or block to the generation of shareholder value.

6. What is the impact of the pandemic on your company? Does Euronav consider creating a fund for solidarity with workers affected by the pandemic, as for instance Solvay did?

Answer:

As previously mentioned in our press release, the wellbeing and health of our staff, seafarers, their families and the broader community is Euronav’s priority. We have applied a number of precautionary measures across our offices and fleet in order to protect our employees and seafarers in response to Covid-19. To date, Euronav’s operations have not been materially impacted much thanks to the flexibility of our workforce. Active measures we have taken included a restricted access to our offices around the world and most of the staff working from home and restricted access to our ships when they call terminals. Unfortunately, the lock down in several places around the world where our ships call for operations has prevented us from doing our regular crew rotation but we hope that the situation will normalize soon and we are working hard to allow our crew onboard to return safely to their home as well as allowing new crew to come onboard safely.

Whilst a small number of shore employees have seen their workload significantly decreased as a result of not being able to access the office, Euronav has decided not to put any of its employees under temporary or permanent unemployment benefits as we believe that every single employee at Euronav plays a critical role in our operations in the short and the long term. On occasion where our staff have benefitted from wider government funded support schemes, Euronav has continued to pay our staff in full and in line with the situation prior to the crisis. In addition Euronav has decided to make additional cash payments to certain employees who have been most affected by the crisis given their outstanding additional contribution during the crisis. Finally, Euronav has made a number of voluntary cash and practical contributions (eg face-masks and respiratory equipment) to organizations providing frontline relief to those assisting in the fight against Covid-19.

A combination of rapidly increased crude supply and a buoyant market for crude storage is underpinning a very robust tanker freight market and strong cash generation presently. Management is however cognizant that as a consequence of policies to restrict the spread of Covid-19, the reduction in crude demand has led to a massive build-up in crude inventory and has impacted negatively the demand for seaborne crude oil transportation. So far, this severe

decrease of demand for transportation is over-compensated by demand for storage of crude oil onboard vessels. At this stage it is still too early to quantify the longer term global macro-economic impact due to the Covid-19 outbreak and thus on our results and any forward-looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks related to the current Covid-19 outbreak.

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