

GRUPE BRUXELLES LAMBERT

Limited Liability Company

Ordinary General Meeting of 24 April 2012

Report by the Chairman of the Nomination and Remuneration Committee

Ladies and Gentlemen,

As the Chairman of GBL's Nomination and Remuneration Committee, it is my pleasure to present to you and to comment on the Company's remuneration report for the 2011 financial year. I wish to emphasise that under the new law, it is now the responsibility of the General Meeting to approve remuneration reports.

My presentation is structured around the following three points:

1. The work of the Committee;
2. Remuneration policy;
3. Impact of the managerial transition on the Board of Directors' fees and the remuneration of the Executive Management.

Before embarking on explanations relating to the remuneration of the Directors and of the Executive Management of GBL, I would like first to give an overview of the work done by the Committee during the 2011 financial year.

1. The work of the Committee

The Committee – that is, my colleagues Michel Plessis-Bélaïr, Gilles Samyn, Jean Stéphane, Gunter Thielen and myself as its Chairman – met four times in 2011. During these four meetings, we focused, as every year, on the renewal of terms of office, the nomination of Directors and the appointment of members of the Committees.

In particular, in 2011 GBL welcomed two new members to its Board of Directors, Antoinette d'Aspremont Lynden and Gérard Lamarche, who subsequently became a Managing Director. They were introduced to you at the last Ordinary General Meeting, on 12 April 2011. There is no need, therefore, to go over their CVs again. I would like to remind you, however, that GBL has the good fortune of having, since that date, a woman Board member. GBL will continue to add women to the Board as the present terms of office expire.

In addition to its task of strengthening the Board of Directors, the Committee is also responsible for ensuring that the Company has a stable governance. In this regard, the Committee proposed that the Board appoint two new Managing Directors, Ian Gallienne and Gérard Lamarche, to replace Gérald Frère and Thierry de Rudder, who wished to retire at the end of December 2011.

The appointment of the new team has also required changes in the level of directors' fees. I will go into further detail on this later, when presenting the remuneration report.

The Committee also carried out an evaluation, in 2011, of the interaction between the non-executive Directors and the Executive Management, by means of a questionnaire that the Committee prepared.

The non-executive directors, who discussed the matter in the absence of the CEO and of the other members of the Executive Management, deemed this interaction to be satisfactory and did not make any specific remarks.

The Committee also formulated proposals regarding the coefficient used to determine the maximum value of shares underlying the options to be granted in 2011.

Moreover, the Committee proposed changes in the level of fixed-rate fees paid to non-executive directors, on which I will also say a few words in a moment.

Finally, the Committee drew up the remuneration report that is being submitted for your approval today and that I would now like to address.

2. Remuneration policy

GBL regularly reviews its remuneration policy in order to ensure that it is consistent with market practices. As part of this exercise, the remuneration policy of non-executive Directors was reviewed in 2011 in order to bring it in line with the new governance tendency intended to link remuneration to attendance. In this spirit, the fixed portion of the remuneration was reduced and a system of attendance tokens was introduced. The maximum total fees for non-executive Directors was set at EUR 1.2 million by the Ordinary General Assembly of 12 April 2011, which tasked the Board with working out its allocation.

As regards the remuneration of the Executive Management, the policy is based more closely on the characteristics of a holding company, the performance of which is evaluated over the long term. This explains the decision to opt for fixed remuneration rather than any variable remuneration in cash over the short term. The level of this remuneration is set for periods of three years at a time.

Moreover, the Executive Management has a long-term profit-sharing plan in the form of share options.

In keeping with the policy I have just outlined, the fixed remuneration for the Executive Management remained unchanged for 2011, and the share option plan is comparable to the previous ones.

3. Impact of the managerial transition on the Board of Directors' fees and the remuneration of the Executive Management

The year 2012 has thus been marked, as already mentioned, by the arrival of a new managerial team, with Gérard Lamarche and Ian Gallienne succeeding Gérald Frère and Thierry de Rudder.

A. Non-executive directors

The managerial transition has given rise to a few changes to the Board of Directors, with the appointment of Gérald Frère as non-executive Chairman of the Board, a post separate from that of CEO in accordance with best practices in corporate governance, as well as the appointment of two new Vice Chairmen: Paul Desmarais, Jr. and Thierry de Rudder. The latter also chairs the Permanent Committee since the beginning of January.

The fee package submitted for your approval applies only to the non-executive Directors. The members of the Executive Management receive no remuneration for their duties as members of the Board. The changes in the Board of Directors have led to an overall increase in the remuneration of non-executive Directors, offset by a decrease in the fees paid to the Executive Management, to which I will come back in a moment. The increase is essentially the result of the allocation, starting in 2012, of a fee of EUR 200,000 to the post of Chairman of the Board of Directors. Moreover, in 2012 the Chairman of the Permanent Committee will receive EUR 15,000 and each of the new Vice-Chairmen EUR 25,000, while the other Directors' fees have remained unchanged. The Chairmanships of the Board and of the Permanent Committee were previously held by executive directors, namely Albert Frère and Gérald Frère, who did not receive any remuneration for holding these offices.

I wish to remind you that the total fees for non-executive Directors in 2011 came to EUR 973,834, a sum calculated on the basis of the exceptionally large number of meetings of the Board (seven in 2011) and of the Nomination and Remuneration Committee (four in 2011). Given the changes resulting from the new governance policy in place since the beginning of 2012, and based on a normal number of meetings of the Board and of the Nomination and Remuneration Committee (5 meetings of the Board and 2 meetings of the Nomination and Remuneration Committee) and on a 100% attendance rate by all members, this amount should come to EUR 1,294,500 for 2012.

The proposal submitted to you today is therefore to raise the ceiling for fees from EUR 1,200,000 to EUR 1,400,000.

B. Executive Management

Moreover, the separation of the offices of Chairman of the Board of Directors and of CEO has prompted the Board to offset the remuneration allocated to the Chairman of the Board by an equivalent reduction in that of the CEO. There will therefore be no increase in net costs for the company. This reduction has no direct impact on the ceiling that is being submitted for your approval, since the latter does not cover executive remuneration.

The net fixed remuneration for the new members of the Executive Management, which is the same as that of their predecessors, has been set, on the basis of benchmarking carried out by Towers Watson, at EUR 800,000 per person for 2012. It will be reviewed in 2013 along with that of the CEO.

Finally, in accordance with new market practices, Ian Gallienne and Gérard Lamarche participate in a “defined contribution” pension scheme, with an annual contribution of 21% of their net remuneration, thereby terminating the defined benefit pension scheme for the Executive Management.

Ladies and Gentlemen,

thank you for your attention.

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