

# **GROUPE BRUXELLES LAMBERT (GBL)**

**Société Anonyme / Naamloze Vennootschap**

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## **Reasoned report of the Board of Directors on the use of authorised capital**

This report has been prepared in accordance with the provisions of Article 7:199, paragraph 2 of the Code on companies and associations, which obliges the Board of Directors to draw up a special report when it tables a proposal to the General Meeting for authorisation to increase the firm's capital or to renew such authorisation.

The report must describe the specific circumstances in which the Board may use the authorised capital and the objectives it will pursue in so doing.

### **1. Background**

The Extraordinary General Meeting of March 12, 1987 authorised the Board of Directors, for the first time ever, to increase the capital, in one or more operations, in the amount of five billion Belgian francs, for a period of five years. This authorisation has been renewed on a number of occasions, more specifically on May 17, 1989, May 25, 1993, May 28, 1996, May 25, 1999, April 27, 2004, April 24, 2007, April 12, 2011 and for the last time on April 26, 2016.

The latest authorisation given by the General Meeting was in the amount of EUR 125 million. This amount enabled the company to create at most 30,881,431 new GBL's shares.

### **2. Proposal for renewal of the authorisation**

The current authorisation expiring on June 7, 2021 (i.e. 5 years after the date of the publication in the Belgian Official Gazette of the April 26, 2016 of the authorisation), the Board of Directors proposes to renew it at the Extraordinary General Meeting convened on April 28, 2020. The renewal is proposed for a period of five years in the amount of EUR 125 million, permitting the potential creation of 30,881,431 new GBL shares at most.

The authorised capital constitutes for the company an indispensable facility enabling it to increase its own funds quickly and effectively by reducing the formalities required by a capital increase decided by the General Meeting.

The circumstances and aims of the use of the authorised capital by the Board, detailed at the time of the previous request for renewal, remain valid, namely:

- to seize business opportunities;
- to respond quickly to market financing opportunities;
- possibly to extend staff participation in the company's capital;

- as appropriate, to ensure the continuity and coherence of the company's strategy when strengthening of the shareholding is required.

In general, pursuit of the company's interests will be the objective of any use of the authorised capital.

### 3. Arrangements for use of the authorised capital

The arrangements for use of the authorised capital by the Board will be identical to those for a capital increase decided by the General Meeting, without further restrictions and in compliance with the Code on companies and associations.

More precisely, this authorisation will enable the Board of Directors to increase the subscribed capital in one or more transactions within the limits set by Article 7:198 of the Code on companies and associations, under the conditions it shall determine, and in particular:

1. through capital increase, cash subscription, contribution in kind within legally prescribed limits, incorporation of distributable or non-distributable reserves or of share premiums, with or without the issue of new shares, with or without voting rights;
2. through the issue of convertible bonds or through the issue of bonds repayable in shares, subordinated or not;
3. through the issue of subscription rights, whether or not attaching to bonds or to other securities;
4. through any other financial product, including capital increases on behalf of one or more given persons, and in particular on behalf of staff.

**The Board of Directors**