

GROUPE BRUXELLES LAMBERT (GBL)

Limited Liability Company

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**Report of the Board of Directors
Article 7:227 of the Code on companies and associations**

1 Background of and reasons for this report

As part of its remuneration policy, GBL sets up a long-term incentive plan for the CEO and members of the staff of the GBL group (the “**Plan**”). The Plan consists of the granting of options on existing shares of the company FINPAR VIII, subsidiary of GBL.

In the framework of the putting in place of the Plan, FINPAR VIII acquires at market conditions mainly GBL shares and in the alternative, shares of companies in GBL portfolio and on which GBL may exercise its influence. These acquisitions are financed, partly, with own funds and, partly, with a loan agreed upon between FINPAR VIII and a subsidiary of GBL (the “**Loan**”). FINPAR VIII will pledge its portfolio as principal security (the “**Pledge**”). On a secondary basis, GBL will grant a security (a guarantee) for the benefit of its subsidiary (the “**Guarantee**”), it being understood that FINPAR VIII will remunerate GBL for the granting of this Guarantee at market value.

2 Applicable provisions

Article 7:227, § 1 of the Code on companies and associations provides, in particular, that the provision of securities by a limited liability company with a view to the acquisition of its treasury shares is subject to various conditions including the drawing up of a report of the Board of Directors of the company concerned.

Therefore, this report aims to clarify (i) the reasons for the Guarantee, (ii) the importance of the Guarantee for GBL, (iii) the conditions to which it is subjected, (iv) the risks that it holds for the liquidity and the solvency of GBL and (v) the price at which FINPAR VIII will acquire the GBL shares.

This report will be deposited and published in the Annexes to the Belgian Official Gazette pursuant to Articles 2:8 and 2:14, 4° of the Code on companies and associations.

The grant of the Guarantee will be subject to the approval by the GBL's Ordinary General Shareholders' Meeting convened on April 26, 2022.

3 Importance of the Guarantee to GBL

The Guarantee that GBL wishes to grant is part of the putting in place of the Plan, permitting FINPAR VIII to notably acquire GBL shares by making use, in part, of the Loan granted by a company of the group.

This Plan aims to motivate the CEO and members of the staff of the GBL group to further increase their participation in the strategy and the value creation of GBL and align their interests with those of the shareholders. The Plan will so contribute to the positive development of the business of GBL.

4 Conditions of the Loan and of the Guarantee

4.1 Principal conditions of the Loan

The principal conditions of the Loan can be summarised as follows:

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|-----------------------------|---|
| Borrower: | FINPAR VIII |
| Lender: | A subsidiary of GBL |
| Maximum Loan Amount: | EUR 106,100,000 |
| Loan purpose: | The Loan is aimed to partially finance the acquisition of GBL shares |
| Term: | 10 years as from the date on which the funds will be made available |
| Interest rate: | Market conditions |
| Repayment: | The Loan is refundable at maturity of the credit's advance or earlier |

4.2 Principal conditions of the Guarantee

In the context of the Loan, GBL is requested to act as secondary guarantor for the benefit of its subsidiary to the Maximum Loan Amount in principal to be increased by all the interests, fees and costs.

The principal conditions of this Guarantee are the following:

- The Guarantee can only be called and executed (the “**Execution Condition**”) if the value of the Pledge given by FINPAR VIII should be insufficient to cover its due undertakings.
- In addition, the Execution Condition shall be assumed automatically met if the Pledge or Loan terms and conditions are not satisfied.

For the Guarantee, GBL shall receive from FINPAR VIII a yearly remuneration in accordance with market conditions.

5 Price at which the GBL shares will be acquired by FINPAR VIII

FINPAR VIII acquires the GBL shares either on the stock exchange or from Sagerpar, sub-subsidiary of GBL, on the basis of the share price and according to provisions of the Law of March 26, 1999 concerning the 1998 Belgian Employment Action Plan and setting out various clauses, as amended by subsequent laws.

6 Risks for the liquidity and solvency of GBL and patrimonial consequences of GBL

Taking into account the assets owned by GBL, the GBL’s Board of Directors is of the opinion that the potential execution of the Guarantee would affect neither the GBL liquidity nor its solvency.

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