

# Delivering meaningful growth

Corporate  
Governance  
Charter

July 30, 2021

**GBL**

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# I. Introduction

The corporate governance policy implemented by Groupe Bruxelles Lambert (“GBL” or the “Company”) has evolved in keeping with changes in the applicable rules and best practice in the area.

In this way, the Company strives to adapt its structure and corporate governance strategy to changes to the principles and provisions of the Belgian Corporate Governance Code 2020 (the “2020 Code”). Certain adjustments are needed to reflect the specific aspects linked to its holding activity, its shareholding structure and its small staff.

GBL has adopted a charter that brings together all of the Company’s corporate governance rules (the “Charter”) and particularly the principles governing the conduct of the members of GBL’s Board of Directors and its specialised Committees, as well as these bodies’ operating rules. This document also includes the Dealing Code, which defines the rules applicable to transactions in GBL securities.

The first Charter was published by the Company at the end of 2005. The latest update was approved by the Board of Directors on July 30, 2021.

In its annual report the Company includes a corporate governance statement describing relevant information about events relating to its governance which occurred during the financial year in question. This statement also sets out and justifies the points of the 2020 Code from which the Company derogates.

To have a complete picture of GBL’s corporate governance rules, the Charter should also be read in conjunction with the Company’s Articles of Association, the corporate governance statement in the annual report, the 2020 Code as well as the corporate governance provisions laid down in the Code on companies and associations.

The Company’s strategy is described in more detail in its annual report.

The Company considers that implementing a Corporate Social Responsibility (CSR) policy is an integral part of its activity as a responsible shareholder. The annual report incorporates the Company’s CSR policy as well as the processes, initiatives and progress achieved during the year.

The Charter, the annual report and the Articles of Association of the Company are published on GBL’s website ([www.gbl.be](http://www.gbl.be)). Copies of these documents are available free of charge on request made to the Company’s registered office.

## II. Group structure

### 1. GROUP STRUCTURE

GBL's shares are listed on Euronext Brussels and form part of the BEL 20 index, representing the 20 leading companies listed on Euronext Brussels.

The Company's shareholding structure is characterised by the presence of a controlling shareholder, Pargesa S.A., company under Swiss law, itself controlled by Parjointco S.A., company under Belgian law and whose control is exercised jointly by Frère group and Power Corporation of Canada group, under an agreement concluded between the two groups in 1990.

The purpose of this agreement is to establish and maintain a parity control between the groups Power Corporation of Canada and Frère in Pargesa S.A., GBL and their respective designated subsidiaries. In 2012 the agreement was extended until 2029 and allows for an extension beyond that date.

The Board of Directors ensures that the controlling shareholder sets out its strategic objectives clearly to the Board. These are summarised in the annual report, which also includes an organisational chart detailing GBL's controlling shareholding structure.

## 2. SHAREHOLDERS' RIGHTS

### 2.1. General Shareholders' Meetings

The rules governing the holding and convening of General Meetings, as well as the formalities to be complied with in order to participate in these meetings, including the representation of shareholders, are laid down in the Articles of Association.

One or more shareholders owning together at least 3% of the Company's share capital may request the addition of an item to the agenda of the General Meeting already convened and may also present proposals for decisions in relation to the items to be discussed or to be placed on the agenda. On the other hand, the capital threshold required for one or more shareholders to request the convening of a General Meeting is set at 10% of capital.

Shareholders that have completed the formalities for admission to the Meeting may also send their questions to the Company in writing.

The Company publishes the results of votes and the minutes of the General Meeting on its website as soon as possible after the meeting.

### 2.2. Dividend

GBL's dividend distribution policy is described in the annual report.

### 2.3. Publication of results

GBL communicates its annual and half-yearly results in accordance with the obligation of periodic information applicable to listed companies. It also communicates certain quarterly results.

### III. Internal rules of procedure for the Board of Directors

#### A. BOARD OF DIRECTORS

##### 1. Composition

The Board of Directors is made up of a maximum of twenty members. This number is subject to change according to the Company's needs.

The Board is composed of Executive and non-executive Directors, at least three of whom meet the criteria of independence specified below. The majority of the members of the Board of Directors are non-executive Directors.

The composition of the Board of Directors reflects the controlling shareholding of the Company: a majority of the Board of Directors is composed of representatives proposed by the controlling shareholder, Pargesa S.A.

Each Director must own at least 100 shares in the Company.

##### 2. Appointment and resignation

The members of the Board of Directors are appointed by the General Meeting on proposal from the Board of Directors and, as the case may be, on proposal from a shareholder. Should a directorship fall vacant, the remaining Directors may co-opt a Director to fill this office on a temporary basis. In that case it is up to the following General Meeting to proceed with a definitive election.

The members of the Board of Directors are appointed for a period of four years unless the General Meeting specifies a different term. Their term of office is renewable.

The age limit for non-executive Directors is set by the Board of Directors at 72, unless otherwise decided by the Board of Directors upon advice of the Nomination, Remuneration and Governance Committee. Any non-executive Director appointed before the age of 72, the term of whose mandate exceeds their 72<sup>nd</sup> birthday, will complete their term.

The Nomination, Remuneration and Governance Committee examines candidacies and seeks to ensure that a satisfactory balance of expertise, knowledge, experience and diversity is maintained among members of the Board of Directors. In addition, the Board takes account of the rules on gender diversity provided for in the Code on companies and associations.

The Board of Directors decides on the co-option or on the proposal for appointment to be submitted to the General Meeting after having examined recommendations made by the Nomination, Remuneration and Governance Committee.

If a new member is being appointed, the Nomination, Remuneration and Governance Committee gathers together and analyses existing information on candidates, particularly their curriculum vitae and the list of the other positions they hold. It submits this information to the Board of Directors, together with an assessment based on the interview with the Chairman of the Board of Directors.

The Board submits its proposal to the General Meeting of Shareholders, providing meaningful information on the candidate's professional qualifications and on the other offices he already holds, on the conditions of potential independence and on the proposed length of the term of office. If the proposal relates to an independent Director, the latter must confirm in writing to the Company that he considers himself to be independent on the basis of the definition set out in Article 7:87, §1<sup>st</sup> of the Code on companies and associations and the criteria in provision 3.5 of the 2020 Code, reproduced below. In this case, the General Meeting must also approve the independence of the Director. The Company includes this information in its annual report.

To qualify as independent, a Director must comply with the definition of Article 7:87, §1<sup>st</sup> of the Code on companies and associations, namely:

"A director of a listed company is considered to be independent if he does not maintain any relationship with the Company or a major shareholder of the Company which may jeopardise his independence. If the director is a legal entity, the independence must be assessed both in relation to the legal entity and its permanent representative."

In order to assess this status the cumulative criteria set out in provision 3.5 of the 2020 Code are applied:

1. not be an executive, or exercising a function as a person entrusted with the daily management of the company or a related company or person, and not have been in such a position for the previous three years before their appointment. Alternatively, no longer enjoying stock options of the company related to this position;
2. not have served for a total term of more than twelve years as a non-executive board member;
3. not be an employee of the senior management (as defined in Article 19, 2<sup>o</sup> of the law of September 20, 1948 regarding the organisation of the business industry) of the company or a related company or person, and not have been in such a position for the previous three years before their appointment. Alternatively, no longer enjoying stock options of the company related to this position;
4. not be receiving, or having received during their mandate or for a period of three years prior to their appointment, any significant remuneration or any other significant advantage of a patrimonial nature from the company or a related company or person, apart from any fee they receive or have received as a non-executive board member;

5. a. not hold shares, either directly or indirectly, either alone or in concert, representing globally one tenth or more of the company's capital or one tenth or more of the voting rights in the company at the moment of appointment;
- b. not having been nominated, in any circumstances, by a shareholder fulfilling the conditions covered under (a);
6. not maintain, nor have maintained in the past year before their appointment, a significant business relationship with the company or a related company or person, either directly or as partner, shareholder, board member, member of the senior management (as defined in Article 19, 2° of the law of September 20, 1948 regarding the organisation of the business industry) of a company or person who maintains such a relationship;
7. not be or have been within the last three years before their appointment, a partner or member of the audit team of the company or person who is, or has been within the last three years before their appointment, the external auditor of the company or a related company or person;
8. not be an executive of another company in which an executive of the company is a non-executive board member, and not have other significant links with executive board members of the company through involvement in other companies or bodies;
9. not have, in the company or a related company or person, a spouse, legal partner or close family member to the second degree, exercising a function as board member or executive or person entrusted with the daily management or employee of the senior management (as defined in Article 19, 2° of the law of September 20, 1948 regarding the organisation of the business industry), or falling in one of the other cases referred to in 1. to 8. above, and as far as point 2. is concerned, up to three years after the date on which the relevant relative has terminated their last term."

Neither the Charter nor the Company's Articles of Association lay down any different or additional criteria.

Any independent Director who no longer fulfils the above criteria of independence shall immediately so inform the Board of Directors.

A Director may submit his resignation at any time. He shall inform the Chairman of the Board of Directors of this in writing. His resignation shall take effect upon receipt of the letter of notification or on the date specified in the letter. However, at the request of the Company, he shall remain in office until the Company can reasonably arrange for his replacement.

### 3. Training and duties of Directors

Any candidate Director may, in prior meetings with the Chairman of the Board, raise any questions to enable him to understand the situation of GBL.

Before accepting office, the Director must become familiar with the laws and regulations pertaining to his role, the 2020 Code, the Articles of Association and the Charter.

Upon accepting office, any person appointed as a member of the Board of Directors must declare in writing to the Company that he accepts the contents of the Charter and agrees to abide by its provisions.

Once appointed by the General Meeting, or co-opted by the Board, the new Director may meet the CEO during and outside of Board meetings and may obtain all information useful or necessary to performing his duties. One or more meetings are arranged with the Director of Investments, the CFO and the General Secretary to ensure that the new Director receives adequate training.

Outside of Board meetings, the Directors are kept informed of important developments in the Company and are alerted to any situation having a significant impact on the matters discussed by the Board or the information reported to it.

In exercising their mandate the Directors adhere to the following principles:

- they maintain an independence of analysis, judgement, decision-making and action in all circumstances and work in the Company's best interests;
- they inform the Board of Directors of any information in their possession, which could be relevant for decision-making by the Board of Directors; in the case of sensitive or confidential information, the Directors consult the Chairman;
- they inform the Board of Directors in due time of any conflicts of interest that might arise and abstain from voting on the corresponding resolution, or from participating in discussions prior to the vote, if this is deemed advisable. They comply in all cases with the statutory provisions relating to conflicts of interest, which require abstention, and other requirements (section 4.2.2.);
- they participate in meetings of the Board of Directors and of the Committees of which they are members, except when prevented from attending, in which case they shall inform in advance the Chairman of the Board or the Committee concerned;
- they keep fully confidential the information disclosed to them in the course of their duties, without prejudice to the communications necessary to the proper working of a group and in compliance with regulations in force;
- only the persons appointed to that effect are authorised to communicate on behalf of GBL to the media, financial analysts and investors.

Should a Director receive a request for information on GBL from the media, financial analysts, investors or informal social contacts, he should decline to comment and refer such request, if necessary, to the persons designated to communicate on behalf of GBL. However, the CEO and the Chairman of the Board of Directors may each answer directly, if they deem it appropriate, taking care to comply with the rules applicable to the Company's communications, including the rules on market abuse.

## 4. Competencies and operation of the Board

### 4.1. Competencies

The Board of Directors organises the management and supervision of the Company. It approves strategic plans, investment, disposal or long-term financing decisions as well as the Company's financial statements at regular intervals. It oversees the performance of the Company.

The Board of Directors may carry out all acts necessary or useful for achieving the Company's corporate purpose, except those reserved by law to the General Meeting.

It delegates the day-to-day management of the Company and its representation in respect of this management to a CEO chosen within its members. It determines the duties, powers and remuneration of the Directors to whom it delegates specific powers and reviews their performance.

The Board of Directors appoints the Chairman, the Vice-Chairman as well as the members of the Committees it creates (Audit Committee, Nomination, Remuneration and Governance Committee), the Chairman of the Nomination, Remuneration and Governance Committee and determines their duties. It controls and examines the effectiveness of these Committees.

The Board of Directors ensures the integrity and quality of the financial and non-financial information provided in due time to shareholders and to financial markets.

It approves the internal control and risk management guidelines established by the CEO and reviews the implementation of these guidelines taking account of the review performed by the Audit Committee. It describes the main characteristics of the internal control and risk management systems to be published in the corporate governance statement.

It also supervises the activities of the Statutory Auditor, taking account of the review conducted by the Audit Committee.

The most significant topics debated by the Board are as follows:

- definition and regular review of the Company's strategy, and approval of the operational plans and main policies developed by the CEO for implementing this strategy;
- decisions on investments and disposals;
- analysis of and taking decisions on financial resources;
- monitoring of the Company's performance and investments;
- review and approval of the annual, half-yearly financial statements and quarterly results (consolidated and non-consolidated);
- approval of the budget;
- dividend distribution proposal;
- review of reports from the different Committees;
- convening and setting the agenda for General Meetings;

- development of the governance of the Company and assessment, at least every five years, of the governance structure;
- approval of the Charter and the Code of Conduct and Ethics and verification, at least every year, of the adequacy thereof and degree of compliance therewith;
- development and monitoring of the sponsorship policy.

### 4.2. Operation

#### 4.2.1. Organisation of meetings

The Board of Directors meets at least four times a year and whenever the Company's interest so requires. The Board's meetings are convened by the Chairman, the Vice-Chairman or by a Director in his place.

The agenda of each meeting is set by the Chairman in close collaboration with the CEO and includes among others any item requested by a Director.

Save in the case of an urgent convocation, the Directors receive prior to the meeting, with reasonable advance notice and subject to the requirements of confidentiality, the agenda of the Board meeting and background information on the items of the agenda requiring prior analysis and reflection.

Each Director may ask the Chairman to have any additional information he deems useful reported to him.

The internal rules of procedures for the Nomination, Remuneration and Governance Committee and the Audit Committee set out the procedures by which these Committees may request an opinion from an independent expert, at the Company's expense. Apart from these procedures, any Director may also make such a request, which will then be considered by the Board.

#### 4.2.2. Policy on conflicts of interest

Transactions or contractual relations between the Company and the members of the Board of Directors or their permanent representatives require the approval of the Board of Directors and may only be conducted at market conditions.

Each Director informs the Board of any conflict of interest which he believes could affect his judgement. In particular, at the beginning of each Board or Committee meeting all Directors are asked to confirm that they don't have conflict of interest and Directors who have a conflict of interest with respect to one or more items on the agenda must declare it.

In particular each Director must be attentive to conflicts of interest which may arise between the Company, its Directors, the controlling shareholder and the other shareholders..

In the event of a conflict of interest, the Board, under the direction of the Chairman, determines the procedure to be applied to safeguard the interests of the Company and all of its shareholders. In the next annual report the Board explains why it chose this procedure. However, in the event of a significant conflict of interest, the Board shall determine whether it is necessary to communicate as soon as possible about the procedure followed, the most important considerations and the conclusions.

When the Board makes a decision, the members of the Board do not pursue their own personal interests. They do not use business opportunities for the Company for personal purposes.

Where the conflict of interest is covered by Article 7:96 of the Code on companies and associations, each Director concerned and the Board shall comply with the procedure provided for in that article.

Without prejudice to the foregoing, no Director participates in the decisions of the Board which relate to companies in which he is a Director.

In addition, for any decision or operation of the Board relating to a natural person or a legal entity related to the Company, but which is not a subsidiary (as defined by the Code on companies and associations) of the Company, the Board applies the procedure set out in Article 7:97 of the Code on companies and associations.

#### 4.2.3. Chairmanship

The Board of Directors appoints a Chairman from among the non-executive Directors. The Chairman assumes responsibility for management of the Board of Directors and for its proper functioning.

To that end, the Chairman is responsible, among other things, for:

- convening meetings of the Board of Directors and setting the agenda;
- ensuring that procedures relating to preparatory work, deliberations and the adoption of resolutions are implemented properly;
- ensuring that all Directors receive in due time the information needed for deliberations on the items of the agenda;
- building a climate of confidence that contributes to frank discussions between the members of the Board and effective interaction between them and the CEO;
- establishing close relations with the CEO by providing support and advice, while respecting the latter's executive responsibilities;
- ensuring that the Board has sufficient time for reflection and discussion and that all Directors can contribute to the discussions;
- in the event of a conflict of interest on the part of a Director, ensuring that the Internal Rules of procedures of the Board of Directors and the provisions of the Code on companies and associations relating to conflicts of interest are applied;
- providing new Directors with useful information about the operations of the Company and answering any questions they may have.

If the Chairman is unable to act, the Vice-Chairman or a Director replacing him shall assume the functions and powers of the Chairman.

#### 4.2.4. Board Committees

The Board of Directors must establish the Committees required by law. It may also set up other specialised Committees, and shall determine their membership and responsibilities. These Committees carry out preparatory work in relation to the deliberations of the Board of Directors and submit opinions, proposals or recommendations to it.

The Board of Directors has created two such Committees, namely the Nomination, Remuneration and Governance Committee and the Audit Committee, which carry out their activities under its responsibility. Each Committee draws up its internal rules of procedure that define its competencies and its operating procedures. These rules, a copy of which is attached to this Charter, are approved by the Board of Directors and may be updated.

The Chairman of each Committee reports to the Board of Directors on its activities, which are described in the annual report.

#### 4.2.5. Meeting of the independent Directors

The independent Directors meet once a year to discuss the functioning of the Board and any topics they deem useful.

#### 4.2.6. Assessment

The Board of Directors assesses, at regular intervals of no more than three years, its size, composition and performance and those of its Committees. At the same time, it also examines the interaction between the non-executive Directors and the CEO.

When the term of office of each Director expires and if it is proposed to renew this mandate, the Board of Directors evaluates his participation in meetings of the Board or the Board Committees, his level of engagement and his constructive involvement in debates and decision-making, in accordance with a pre-established and transparent procedure.

These assessments are prepared by the Nomination, Remuneration and Governance Committee, assisted as the case may be by external consultants.

The Nomination, Remuneration and Governance Committee presents the results of the assessment to the Board and, if deemed useful, recommendations for improving how it operates.

The Board takes the necessary decisions following the performance assessment.

Once a year, the non-executive Directors meet in the absence of the CEO to evaluate among others their interaction with him.

Information on the evaluation process of the Board of Directors, its Committees and the Directors is included in the corporate governance statement.



## B. CEO

### 1. Delegation of the day-to-day management

The Board of Directors has assigned the day-to-day management of the Company to the CEO.

### 2. Competencies

The CEO has a large degree of autonomy: the delegation of the day-to-day management is not limited to the implementation of the decisions of the Board of Directors, but also covers all acts necessary for carrying out the ordinary activities of the Company and its Subsidiaries<sup>1</sup> and for implementing the Company's strategy.

The CEO draws out strategic plans, seeks out and analyses investment projects, studies divestment opportunities and reviews the Company's medium and long-term financing needs. He submits his proposals to the Board of Directors for deliberation.

The CEO systematically reports to the Board of Directors on GBL's business developments, and in particular on the evolution of the investments and the group's financial management.

The Board may, on an exceptional basis, delegate additional specific powers to the CEO.

### 3. Age limit

The age limit for the CEO is set by the Board of Directors at 62 years.

### 4. Assessment of performance

On an annual basis the Board evaluates the performance of the CEO and the achievement of the Company's strategic objectives in relation to the agreed measures and targets, after consulting the Nomination, Remuneration and Governance Committee.

## C. GENERAL SECRETARY AND COMPLIANCE OFFICER

The Board of Directors appoints a General Secretary of the Company who assists the Board of Directors, the Chairman, the CEO and the Committees Chairmen in their administrative tasks. All members of the Board of Directors and its Committees have access to the advice and services of the General Secretary.

The General Secretary is also responsible for the legal affairs of the Company as well as for the missions entrusted to him by the Dealing Code.

Moreover, the Board of Directors also appoints a Compliance Officer who is in charge of the follow-up of the Code of Conduct and Ethics and of the Diversity & Inclusion Policy as well as the other compliance questions.

## D. REMUNERATION POLICY

The Board of Directors adopts the remuneration policy of the CEO and non-executive Directors on the basis of a proposal from the Nomination, Remuneration and Governance Committee. The Committee bases its proposals on a review of prevailing market conditions for comparable companies. It also takes into account the Company's general framework for remuneration.

### 1. Remuneration report

The Board of Directors produces a remuneration report, which is published in the annual report in the corporate governance statement chapter. The remuneration report is submitted to the General Shareholders' Meeting for approval. This report contains the information required by the Code on companies and associations and by the 2020 Code.

More specifically, it describes the procedure for development of the remuneration policy for non-executive Directors and for the CEO and determination of their level of remuneration. This report also includes a statement on this remuneration policy. It describes, on an individual basis, the remuneration of the non-executive members of the Board of Directors and the remuneration of the CEO. The amounts taken into consideration are those allocated directly or indirectly, on an individual basis, to the Directors by all the consolidated companies and companies accounted for using the equity method.

Any significant change in the remuneration policy compared with the year covered by the annual report is highlighted in the remuneration report.

### 2. Remuneration of non-executive Directors

The remuneration of the Chairman of the Board of Directors and of the other non-executive Directors is set by the General Meeting on the basis of a proposal by the Board of Directors after advice from the Nomination, Remuneration and Governance Committee.

The non-executive Directors receive part of their fixed remuneration in the form of shares in the Company. These shares must be kept at least three years after their grant.

In addition, in order to link remuneration to actual attendance at meetings, the non-executive Directors also receive attendance fees.

Non-executive Directors do not receive any stock options and variable remuneration.

The remuneration of the non-executive Directors is regularly revised to bring it into line with market practices.

<sup>1</sup> By "Subsidiary", the Charter means any subsidiary fully owned either directly or indirectly by GBL.

### 3. Remuneration of the CEO

The Board of Directors sets the remuneration of the CEO after taking advice from the Nomination, Remuneration and Governance Committee. He does not receive remuneration for his position as Director.

Changes to this fixed remuneration are at the discretion of the Board of Directors based on the proposal of the Nomination, Remuneration and Governance Committee, which can suggest that remuneration be amended based on economic circumstances or specific events.

The CEO also benefits from a long-term incentive plan involving share options.

The Board of Directors has set the minimum threshold for Company shares that the CEO must hold during the exercise of his mandate at the equivalent of one year's gross reference remuneration (itself defined as two times the net fixed remuneration). It is also stipulated that if the CEO decides to leave the GBL group voluntarily, he will have to keep this minimum number of GBL shares for six months after the end of his mandate.

Furthermore, the CEO benefits from a "defined contribution" pension plan, funded by GBL. In exceptional cases, which are duly justified, the Board of Directors may, on a proposal by the Nomination, Remuneration and Governance Committee, decide to grant an individual pension commitment to the CEO.

If the office of the CEO is terminated for a reason other than serious grounds, he may claim compensation equal to 18 months of fixed remuneration decided based on advice of the Nomination, Remuneration and Governance Committee.

## IV. Dealing Code

The Board of Directors has adopted a set of rules relating to transactions in GBL shares or other financial instruments of the Company by non-executive Directors, the CEO and other designated persons.

These rules regarding transactions in the Company's securities are set out in Appendix 2.

## V. Approval and modification of the Charter

The Board of Directors may modify the Charter, explaining any such changes in the annual report's corporate governance statement.

All changes will be published at the earliest opportunity on the Company's website.

# Appendix 1

## Internal rules of procedure for the Committees

### A. INTERNAL RULES OF PROCEDURE FOR THE NOMINATION, REMUNERATION AND GOVERNANCE COMMITTEE

The internal rules of procedure of the Nomination, Remuneration and Governance Committee were last adopted by the Board of Directors on October 31, 2019.

#### 1. Terms of reference

The Committee's role includes among others:

##### A. In relation to appointments

1. Objectively and professionally establishing the procedure for the appointment and re-election of Directors and planning for the orderly reappointment or mandate renewal of Directors, including that of the CEO.
2. Selecting candidates for Directorships or Committee memberships, on the basis of objective criteria.
3. Expressing opinions on candidates for Directorships or on the appointment of members to any of the Board's Committees.
4. Assessing the independence of non-executive Directors within the meaning of the Code on companies and associations and the 2020 Code.
5. Periodically organising the process whereby the Board evaluates its own performance.
6. Ensuring that appropriate programmes for the development of talent and for the promotion of diversity are in place, such as the Diversity & Inclusion Policy.

##### B. With regard to remuneration

1. Assisting the Board in relation to all aspects of the remuneration of the CEO and the non-executive Directors of GBL: development of a policy, establishment of objectives and standards, including for long-term incentives such as stock option plans or other plans based on the trend in the value of the GBL share price (equity-based plans).
2. In particular, assisting the Board of Directors in formulating proposals for submission to the General Meeting on the remuneration policy and the remunerations of members of the Board of Directors.
3. Making recommendations to the Board on the remuneration of GBL's CEO:
  - determining the level of fixed and variable remuneration based on market conditions and practices, using external consultants where necessary;
  - establishing long-term performance premiums, linked or not to shares granted in the form of stock options or other financial instruments;

- approving all other benefits;
  - approving the main contractual terms and conditions, including the pension and benefit plan, benefits in kind, other financial entitlements, including in the event of departure from the Company (severance payments).
4. Drafting the remuneration report and reviewing other corporate governance documents concerning the appointment and remuneration of executives to be published in the annual report.
  5. Commenting on the remuneration report at the Annual General Shareholders' Meeting.
  6. Responding to all Board requests and reporting to it on the Committee's work.

#### C. Charter and Code of Conduct and Ethics

Determining when to update the Charter and the Code of Conduct and Ethics and submitting the draft to the Board of Directors as well as reporting annually to the Board of Directors on the degree of compliance with the Code of Conduct and Ethics.

#### 2. Composition

The Committee is composed of a minimum of three and maximum of five members appointed by the Board of Directors from among its non-executive Directors. The majority of the members of the Committee must be independent Directors. They have the necessary expertise in the field of remuneration policy.

Membership of the Committee corresponds to the term of office as Director. It may be renewed simultaneously with the directorship.

The Board may modify the composition of the Committee at any time.

#### 3. Organisation of work

The Board appoints the Chairman of the Committee from among its members. The Committee appoints its Secretary.

The CEO may attend Committee meetings at the request of the Committee.

The Committee may deliberate in the presence of at least two of its members.

Committee members may not be represented. A member may, however, take part in the Committee's deliberations and vote by means of tele-conference or video-conference.

In the event of an emergency, the Committee members may pass resolutions by signing a document circulated amongst them. Any proposal adopted under this procedure must be approved in writing by all Committee members.

The Committee meets at least twice a year. It meets as often as necessary when convened by its Chairman or at the request of a member of the Committee or the CEO. In the latter case, the Committee invites the CEO to present his proposals. The CEO doesn't take part in deliberations concerning his own situation.

While respecting the appropriate confidentiality of its discussions, the Committee may request the assistance of a member of the Company's staff whose competencies could facilitate its deliberations on a particular item on the agenda.

The Committee is authorised to meet any person in the Company or its Subsidiaries that it considers relevant for the implementation of its terms of reference, if appropriate without the presence of the CEO.

The Committee may also call upon external specialists, at the Company's expense, and invite them to attend its meetings as necessary.

The proposals that the Committee submits to the Board of Directors are adopted by the majority of the Committee members present. The Chairman of the Committee has a casting vote in the case of equal votes.

Minutes are drafted after each Committee meeting and kept at the Company's registered office.

#### 4. Reporting

The Chairman of the Nomination, Remuneration and Governance Committee reports to the Board of Directors on its work after each meeting.

#### 5. Responsibility

The responsibility of members of the Nomination, Remuneration and Governance Committee towards the Board of Directors, to which they are exclusively accountable, consists in carrying out the duties stipulated in the internal rules of procedure with the diligence of a reasonable and prudent Director in the same circumstances.

The Board of Directors may at any time modify these internal rules of procedure or withdraw the powers conferred on the Nomination, Remuneration and Governance Committee.

## B. INTERNAL RULES OF PROCEDURE FOR THE AUDIT COMMITTEE

The internal rules of procedure of the Audit Committee were adopted on the last occasion by the Board of Directors on October 31, 2019.

### 1. Terms of reference

The Audit Committee assists the Board of Directors in carrying out its monitoring responsibilities on financial control.

As a minimum it is responsible for the following tasks:

1. Communicating to the Board of Directors the findings of the statutory audit of the annual accounts and the consolidated accounts and explaining how the statutory audit of the annual accounts and the consolidated accounts contributed to the integrity of the financial information, and on the role played by the Audit Committee in this process.
2. Monitoring the process for preparing financial information and presenting recommendations or proposals to ensure its integrity.

More specifically, the Audit Committee examines all financial information and, in particular, the accounts, the financial position, the cash position and the Company's liabilities. In this context, the Audit Committee examines the assumptions made in drawing up the accounts, including impairment tests, and the review of the accounting policies applied. It also examines the financial information documents that will be communicated to investors.

3. Monitoring of forecasts.  
The Audit Committee examines the Company and group results forecasts. To this end, it analyses the assumptions on which the results are estimated.
4. Monitoring the effectiveness of the Company's internal control and risk management systems.  
The Audit Committee monitors the effectiveness of the internal control and risk management systems put in place by GBL and its Subsidiaries, on an annual basis. It also reviews the comments on internal control and risk management systems presented in the corporate governance statement in the annual report.  
The Audit Committee evaluates at least once a year whether an internal audit function needs to be created, and if so, reviews its functioning and effectiveness. The Committee puts in place and ensures the proper application of a whistleblowing procedure.
5. Monitoring the statutory audit of the annual accounts and consolidated accounts.  
The Audit Committee monitors the statutory audit of the annual and consolidated accounts, including any questions and recommendations made by the Statutory Auditor. To this end, without prejudice to legal provisions providing for the submission of reports or warnings by the Statutory Auditor to the Company's bodies, at the request of the Statutory Auditor or at the request of the Audit Committee or the Board of Directors, the Statutory Auditor examines, with the Audit Committee and, where appropriate, with the Board of Directors, the essential issues that arose during their statutory auditing of the accounts that are included in the supplementary report intended for the Audit Committee, in particular any significant deficiencies detected, where appropriate, in the Company's internal financial control system or, in the case of the consolidated accounts, in that of the parent company and/or its accounting system.
6. Monitoring the non-financial information development process including the ESG declaration.
7. Reviewing and monitoring the independence of the Statutory Auditor, particularly concerning the appropriateness of the provision of additional services to the Company. It examines with the Statutory Auditor the risks impacting its independence and the protective measures applied to reduce these risks.
8. Making recommendations to the Board of Directors of the Company regarding the appointment of the Statutory Auditor.  
The Audit Committee organises the selection, appointment and renewal of the Statutory Auditor and the terms and conditions of its appointment. It submits a reasoned recommendation to the Board of Directors, which submits a proposal to the General Meeting for approval.

## 2. Composition

The Audit Committee is composed of a minimum of three and a maximum of five members selected from among the Company's non-executive Directors. A majority of the Committee members are independent Directors. All members are appointed by the Board of Directors.

The Committee appoints a Chairman from its independent Director members. The Chairman of the Board of Directors may not serve as the Chairman of the Audit Committee.

If the Chairman is prevented from attending a Committee meeting, he may appoint a member of the Committee to chair the meeting in his absence. The Committee appoints its Secretary.

When selecting members of the Committee, the Board shall pay special attention to their expertise in the fields of accounting, audit and finance, and shall ensure that members are collectively competent in the areas of activity of the GBL group.

Membership of the Committee corresponds to the term of office as Director. Membership of the Committee may be renewed simultaneously with the directorship.

The Board may modify the composition of the Committee at any time.

## 3. Organisation of work

### 3.1. Meetings

The Audit Committee meets as often as required for its proper functioning, but at least four times a year. It may also meet on the initiative of its Chairman or whenever requested by one of its members. Its deliberations are valid only in the presence of its Chairman or its substitute and of a second member of the Committee.

Committee members may not be represented. A member may, however, take part in the Committee's deliberations and vote by means of tele-conference or video-conference.

### 3.2. Deliberations

Decisions are adopted by a simple majority of the members present. The Chairman of the Committee has a casting vote in the case of equal votes.

### 3.3. Audit Committee meeting minutes

The Secretary draws up minutes of the meetings of the Audit Committee which are kept at the Company's registered office.

### 3.4. Meetings with the Statutory Auditor

At least twice a year, the Statutory Auditor is invited to attend meetings of the Audit Committee for an exchange of views on any matters coming within the Committee's duties and any subject brought to light by the audit.

The Committee members periodically meet with the Statutory Auditor in the absence of the CEO and the Chief Financial Officer ("CFO").

## 3.5. Miscellaneous

The Audit Committee has unlimited access to all useful Company and Subsidiaries information and to all staff. It has the resources it considers necessary for performing its tasks.

The Audit Committee's day-to-day dialogue partners are the CEO, the CFO and the Statutory Auditor. These persons are invited by the Committee to report to it or to participate in discussions on various items on its agenda.

The Committee is authorised to meet any person in the Company and its Subsidiaries that it considers relevant for the implementation of its terms of reference, if appropriate without the presence of the CEO.

The Committee may also call upon external specialists, at the Company's expense, and invite them to attend its meetings as necessary.

## 4. Reporting

After every meeting of the Audit Committee, the Chairman or a member of the Committee designated for this purpose reports on its work to the Board of Directors and submits any recommendations.

## 5. Responsibility

The responsibility of the members of the Audit Committee towards the Board of Directors, to which they are exclusively accountable, consists in carrying out the duties stipulated in the internal rules of procedure with the diligence of a reasonable and prudent Director in the same circumstances.

The Board of Directors may at any time modify these internal rules of procedure or withdraw powers conferred to the Audit Committee, with the exception of the powers assigned by law.

# Appendix 2

## Dealing Code

### I. INTRODUCTION

As part of the internal rules of procedure, this Dealing Code (the “Code”) establishes the Company’s internal policy on the prevention of market abuse as defined by Regulation (EU) No 596/2014 on market abuse (Market Abuse Regulation - MAR) and its European and Belgian implementing provisions.

More specifically, the Company’s Board of Directors has established the rules contained in this Code so as to avoid the risk of Inside Information being used or disclosed illegally by the Directors, the CEO and the other employees of the Company and the GBL Group (insider trading and unlawful disclosure of Inside Information).

Compliance with the rules contained in this Code does not release the people in question from their responsibility for complying with all of the legal and regulatory provisions applicable to market abuse. They should also note the existence of legal and regulatory provisions governing market manipulation. All of these provisions are accompanied by severe criminal and administrative penalties.

The members of the Board of Directors are answerable for the persons referred to in point II. 1. c) to f) below shall comply with the obligations imposed on them by this Code.

The members of the Board of Directors must send a list of the individuals with whom they are closely associated, as specified in point II. 1. c) to f) below, using the form provided to them by the General Secretary, which must be completed and sent by e-mail to Priscilla Maters (pmaters@gb1.be). They must communicate any changes to this list in the same way.

The members of the Board of Directors must notify the individuals with whom they are closely associated, as specified in point II. 1. c) to f) below, of their obligations under this Code and the applicable legislation and regulations by providing them with the document prepared by the General Secretary and a copy of the Code, and must keep a copy of that notification.

The General Secretary monitors compliance with this Code and any related questions may be addressed to her.

### II. DEFINITIONS

#### 1. Relevant Persons

In this Code, “Relevant Persons” means the following people:

- a) all members of the Board of Directors;
- b) any people who, due to their position or job within the GBL Group, have regular or occasional access to Inside Information (“Key Personnel”). The name of the Key Personnel is set out in a list that is kept up to date by the CEO and the General Secretary. Each of them is informed of their status as Key Personnel by the General Secretary.  
The list, completed in accordance with the MAR, is kept by the General Secretary and must be retained for at least five (5) years.
- c) the spouses of the people referred to in a) and b) or any other partner considered by applicable law as equivalent to a spouse;
- d) the children for whom the person referred to in a) and b) is legally responsible;
- e) any other relative of the people referred to in a) and b) who has belonged to the same household for at least one year from the date of the transaction concerned;
- f) any legal entity, fiduciary, trust or partnership:
  - whose managing responsibilities are exercised by the person referred to in points a) to e); or
  - that is directly or indirectly controlled by the person referred to in points a) to e); or
  - that is set up for the benefit of the person referred to in points a) to e); or
  - whose economic interests are substantially equivalent to those of the persons referred to in points a) or b).

#### 2. GBL Security

In this Code, “GBL Security” means any financial instrument issued by GBL or related to any such financial instrument (including, for example, a share, a subscription right or a bond) (i) traded, admitted for or subject to an admission request for trading on Euronext Brussels, another regulated market or multilateral trading facility (MTF), or (ii) of which the price or value depends on the price or value of a financial instrument as specified under point (i) or which has an effect on said price or value.

This includes financial instruments such as derivatives that are issued or offered by third parties.

#### 3. GBL Group

In this Code, “GBL Group” means the company GBL and all of its (either directly or indirectly) 100%-owned subsidiaries in Belgium and abroad.

#### 4. Inside Information

In this Code, “Inside Information” means the concept defined by the MAR, in other words any information of a precise nature which has not been made public relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or the prices of related derivatives.

Information is considered as potentially significant by affecting the price of financial instruments or related derivatives if a reasonable investor would be likely to take into account this particular information as part of the investment decision-making process.

The information is deemed to be of a precise nature if it indicates existing circumstances or circumstances that may reasonably be expected to come into existence, or an event which may occur or reasonably be expected to do so, and if it is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or event on the prices of financial instruments or related derivatives.

An intermediate step in a multi-step process constitutes Inside Information if that step in itself meets the criteria relating to Inside Information.

By way of example and without this list being exhaustive, the following information could be considered to be Inside Information, depending on the circumstances and its possible impact on the price of the GBL Security concerned, in the meaning indicated above: precise data relating to results to be published before their release, the turnover or the profits (profit warning), a change to the shareholding structure or the composition of the Board of Directors, the distribution of an exceptional dividend, the announcement of the purchase or sale of a stake or a business, the signing of significant agreements, etc.

Information that constitutes Inside Information on a GBL share does not necessarily constitute Inside Information on a GBL bond. This question nevertheless depends on the circumstances and the type of bond and is therefore determined case by case.

### III. TRANSACTIONS COVERED BY THIS CODE

The transactions in the following non-exhaustive list are covered by this Code:

- the transactions in GBL Securities;
- the pledging or lending of GBL Securities;
- the transactions on GBL Securities by persons who organise or execute transactions on a professional basis or by another person in the name of a Relevant Person, including where a discretionary mandate is exercised;
- the acceptance, the exercising and the sale of options or other financial instruments and purchases of GBL Securities resulting, in each case, from GBL incentive plans.

#### A. Transactions in GBL Securities

##### 1. Prohibitions

###### 1.1. If a Relevant Person or any other person has Inside Information, they are prohibited from:

- a) purchasing or selling, or trying to purchase or sell, on his own account or for the account of a third party, either directly or indirectly, GBL Securities.

Exceptions and clarifications:

###### 1) Undertaking to buy and sell

The prohibition referred to above does not apply if a transaction is carried out in order to execute an obligation resulting from that transaction in GBL Securities, provided that such obligation has become due and results from an agreement concluded before the Relevant Person had access to the Inside Information in question, in good faith and without any intention of circumventing the prohibition.

###### 2) Third-party fund management

If a Relevant Person has its funds managed by a third party, the Relevant Person will require this third party to comply with the same restrictions as those applicable to the Relevant Person when carrying out transactions in GBL Securities.

However, if this third party is an authorised financial services provider and is acting on the basis of a written discretionary investment management mandate, concluded in the absence of Inside Information, said third party may carry out transactions in GBL Securities providing that the Relevant Person has no influence on the policy adopted by this third party and providing those transactions are not carried out during a Closed Period.

- b) using this Inside Information to cancel or amend orders in GBL Securities to which this information relates where those orders have been made before the person in question possessed the Inside Information.
- c) disclosing Inside Information to a third party outside the framework of the normal course of the exercise of his employment or professional duties. In all circumstances Relevant Persons are bound by a duty of confidentiality.
- d) recommending to a third party, on the basis of Inside Information, to buy or sell GBL Securities or inviting that third party to make such a purchase or sale.
- e) recommending, based on this Inside Information, that a third party cancel or amend orders in GBL Securities to which this information relates, or encouraging this person to make such a cancellation or amendment.

**1.2. In all circumstances** it is prohibited for any Relevant Person to carry out any transaction on its own account or on the account of a third party, either directly or indirectly, in GBL Securities, in the 30 days before the annual press release and announcement of the half-year results, including the day of the annual press release and announcement of the half-year results and the following day if the results are published after market closing, and for 15 days before the announcement of the quarterly results, including the day of the announcement and the following day, if the results are published after market closing (“Closed Periods”).

The calendar of the publication of the annual press release and half-year and quarterly results for the next year is set by the Board at the end of the previous year.

The General Secretary communicates to the Directors and Key Personnel the dates of the Closed Periods for the financial year. Any change in this information will be communicated immediately.

**1.3. In any case**, all specially designated persons are prohibited to this end by the General Secretary, on an ad hoc basis in relation to specific plans or transactions, from carrying out any transaction on their own account or on the account of a third party, whether directly or indirectly, in GBL Securities for the entire period defined by the General Secretary (“Prohibited Periods”).

The General Secretary informs the concerned persons of the Prohibited Periods in due course.

## 2. Preventive measures to be observed

- 2.1.** Before carrying out a transaction on their own account or on the account of a third party, either directly or indirectly, in GBL Securities, Relevant Persons must inform the General Secretary.

The Relevant Person must execute the transaction within five (5) calendar days after informing the General Secretary and must inform the General Secretary of the transaction on the working day following its execution.

- 2.2.** The members of the Board of Directors and persons closely associated with them, as defined in point II. 1. c) to f) above must notify the FSMA of the transactions carried out on their own account (including where these transactions are executed by a third party under a discretionary investment management mandate) in GBL Securities within a period of three (3) working days following the completion of this transaction.

The notification may however be delayed for as long as the total amount of the transactions (i.e. the total amount of the transactions carried out on their own behalf by a member of the Board of Directors or by people closely associated with them) does not exceed, within the current financial year in question, the threshold of EUR 5,000.

If, during the financial year, the threshold of EUR 5,000 is crossed, all transactions executed until then must be reported at once to the FSMA within three (3) working days following execution date of the last transaction.

## B. Acceptance, exercising of options or other financial instruments resulting from a Company incentive plan

The acceptance and exercising of options or other financial instruments resulting from a Company incentive plan are subject to chapter A.

## IV. COMPLIANCE WITH THE CODE

The General Secretary, or the Chairman of the Board of Directors in the case of the General Secretary, is responsible for ensuring compliance with this Code. To this end, he/she will ensure that GBL’s Directors and all the employees of the GBL Group are informed of the existence and content of this Code.





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