

## Corporate Governance Statement

Groupe Bruxelles Lambert (“GBL” or the “Company”) ensures to respect all corporate governance regulations.

It notably complies with the provisions of the 2009 Belgian Corporate Governance Code (the “2009 Code”), which is its reference code, in accordance with the Royal Decree of 6 June 2010, and which may be consulted at <http://www.corporategovernancecommittee.be>.

GBL has gradually increased the number of women on its Board and its Committees and should achieve the one-third quota after the 2017 General Shareholders’ Meeting according to the law of 28 July 2011 aimed at guaranteeing the presence of women on the Board of Directors of listed companies. Indeed, if the General Shareholders’ Meeting of 25 April 2017 approves the appointment of Laurence Danon Arnaud, the Board will include six female Directors out of a total of eighteen members and will, furthermore, have five independent Directors.

The rules of conduct for the members of GBL’s Board of Directors and of its specialised Committees, as well as the rules governing the functioning of these bodies, are laid out in the Corporate Governance Charter (the “Charter”). This document also includes the Dealing Code, which defines the rules applicable to transactions in GBL shares. The Company’s Charter was published for the first time at the end of 2005. Since then, the Board of Directors has ensured that this document remains in line with the 2009 Code and the various legal developments in the field of corporate governance. It was last amended on 29 July 2016 mainly to adapt it to the new regulations on statutory audit and on market abuse as well as to the decisions taken in 2016 by the Board of Directors and the General Shareholders’ Meeting regarding the remuneration policy. The document thus amended is available on the Company’s website ([www.gbl.be](http://www.gbl.be)).

This chapter describes the composition and functioning of GBL’s administrative bodies and of their committees. It comments on the practical application of GBL’s governance rules during the financial year ended on 31 December 2016 and the period between this financial year and the Board of Directors’ meeting on 17 March 2017. It also lists the Company’s deviations from certain provisions of the 2009 Code and explains the reasons behind them. It includes a remuneration report and describes the principal characteristics of the Company’s internal control and risk management systems. Lastly, it summarises the broad outlines of GBL’s Corporate Social Responsibility strategy and their application to the Company’s operation.

### 1. Board of Directors 1.1. Composition at 31 December 2016

	Current term of office
<b>Chairman of the Board of Directors</b> Gérald Frère	2015-2019
<b>Vice-Chairmen, Directors</b> Paul Desmarais, Jr.	2015-2019
Thierry de Rudder	2016-2020
<b>Co-CEOs</b> Ian Gallienne	2016-2020
Gérard Lamarche	2015-2019
<b>Directors</b> Victor Delloye	2013-2017
Paul Desmarais III	2014-2018
Cédric Frère	2015-2019
Ségolène Gallienne	2015-2019
Count Maurice Lippens	2013-2017
Michel Plessis-Bélair	2013-2017
Gilles Samyn	2015-2019
Amaury de Seze	2013-2017
Arnaud Vial	2013-2017
<b>Independent Directors</b> Countess Antoinette d’Aspremont Lynden	2015-2019
Christine Morin-Postel	2013-2017
Marie Polet	2015-2019
Martine Verluypen	2013-2017
<b>General Secretary and Compliance Officer</b> Ann Opsomer	
<b>Honorary Chairman</b> Baron Frère	
<b>Honorary Managing Directors</b> Jacques Moulaert and Emile Quevrin	
<b>Honorary Directors</b> Count Baudouin du Chastel de la Howarderie, Jacques-Henri Gougenheim, Count Jean-Jacques de Launoit and Aldo Vastapane	

(1) Since the Ordinary General Shareholders’ Meeting of 26 April 2016

Board of Directors  
of GBL

18  
members

5

women

13

men

4

Independent  
Directors

**Participation in Board Committees and/or in the Executive Management**

Member of the Standing Committee

Member of the Standing Committee

Chairman of the Standing Committee

Member of the Standing Committee  
Member of the Executive Management

Member of the Standing Committee  
Member of the Executive Management

Member of the Standing Committee

Member of the Standing Committee

Member of the Standing Committee

Member of the Standing Committee<sup>(1)</sup>

Chairman of the Nomination and Remuneration Committee

Member of the Standing Committee

Member of the Standing Committee and the Audit Committee

Member of the Standing Committee

Member of the Standing Committee and the Audit Committee

Chairwoman of the Audit Committee

Member of the Nomination and Remuneration Committee

Member of the Audit Committee<sup>(1)</sup> and the Nomination and Remuneration Committee

Member of the Audit Committee

**1.1.1. Composition of the Board of Directors**

The composition of GBL's Board of Directors reflects the Company's controlling shareholder structure. GBL is controlled by Pargesa Holding S.A. (through its wholly-owned subsidiary Pargesa Netherlands B.V.). Pargesa Holding S.A., incorporated under Swiss law, is itself controlled by Parjointco N.V., incorporated under the laws of the Netherlands and equally controlled by the Frère and Power Corporation of Canada groups, under an agreement concluded by the two groups in 1990.

This agreement aims to establish and maintain equal control between the Power Corporation of Canada group and the Frère group in Pargesa Holding S.A., GBL and their respective designated subsidiaries. It was extended on 18 December 2012 and will expire in 2029 if not renewed.

At 31 December 2016, out of a total of eighteen members, GBL's Board includes ten representatives proposed by the controlling shareholder, Pargesa Holding S.A.

The shareholding structure explains the composition of the Board of Directors, which departs from the 2009 Code that recommends a Board composition such that no individual or group of Directors could dominate the decision-making.

This control situation also justifies the presence of representatives proposed by the controlling shareholder, Pargesa Holding S.A., on the Audit Committee (two members out of five) and the Standing Committee (ten members out of thirteen) at 31 December 2016.

Concerned by the proper application of corporate governance provisions and respect of the interests of all of the Company's shareholders, the Board of Directors ensures the presence and contribution of a sufficient number and level of independent Directors.

In addition, GBL is continuing its efforts to promote diversity on the Board of Directors. In this context, the 2017 General Shareholders' Meeting will be asked to renew the term of office of Christine Morin-Postel and Martine Verluyten as independent Directors. The Shareholders' Meeting will also be asked to decide on the appointment of Laurence Danon Arnaud as independent Director. Based on these proposals, the number of women on the Board will increase to six, five of which will be independent Directors.

### 1.1.2. Appointments proposed to the 2017 Ordinary General Shareholders' Meeting

The terms of office of Victor Delloye, Maurice Lippens, Michel Plessis-Bélaïr, Christine Morin-Postel, Amaury de Seze, Martine Verluyten and Arnaud Vial will expire after the Ordinary General Shareholders' Meeting of 25 April 2017.

Maurice Lippens and Michel Plessis-Bélaïr are not seeking the renewal of their terms of office since they have exceeded the age limit provided by the GBL Charter. The Ordinary General Shareholders' Meeting will be asked to renew the terms of office of the other Directors for a four-year term, until the end of the 2021 General Shareholders' Meeting called to approve the accounts for the 2020 financial year.

The General Shareholders' Meeting will also be requested to appoint Laurence Danon Arnaud and Jocelyn Lefebvre as Directors.

#### Laurence Danon Arnaud

**Born on 6 January 1956, in Caudéran (Gironde), France, French nationality.**

Laurence Danon Arnaud joined the Ecole Normale Supérieure Paris in 1977. She became an associate professor of Physical Sciences in 1980. After two years of research in the laboratories of the CNRS (French National Centre for Scientific Research), she entered the École Nationale Supérieure des Mines in 1981 and left as a Corps des Mines Engineer in 1984.

After five years at the Ministry of Industry and at its Hydrocarbons Division, Laurence Danon Arnaud joined the ELF group in 1989. From 1989 to 2001, she held various positions in the Chemicals branch of TOTAL FINA ELF group including in particular, between 1996 and 2001, the position of CEO of BOSTIK, the number 2 worldwide in adhesives.

In 2001, she was appointed CEO of Printemps and member of the Executive Board of PPR (KERING). After the repositioning of Printemps and the successful sale in 2007, she joined the world of finance, from 2007 to 2013 as Chairwoman of the Management Board of Edmond de Rothschild Corporate Finance and from 2013 as Chairwoman of the investment bank Leonardo & Co. SAS (subsidiary of the Italian group Banca Leonardo). Following the sale of Leonardo & Co. SAS to NATIXIS in 2015, she devoted herself to her family office, PRIMROSE SAS.

Laurence Danon Arnaud has been a Director of the company Amundi since 2015 and is Chairwoman of the Strategic Committee. She has also been a member of the Board of Directors of TF1 since 2010 and chairs its Audit Committee. On the other hand, she was a member of the Boards of Directors of other companies, such as the UK company Diageo (2006 to 2015), Plastic Omnium (2003-2010), Experian Plc (2007-2010), Rhodia (2008-2011) and of the Supervisory Board of BPCE (2009-2013), where she chaired the Nomination and Remuneration Committee.

Moreover, Laurence Danon Arnaud was the Chairwoman of Committees at MEDEF (French employers' federation) from 2005 to 2013.

From 2000 to 2003, she was Chairwoman of the Board of Directors of the École des Mines de Nantes and, between 2004 and 2006, Chairwoman of the Fondation de l'École Normale Supérieure Paris.

#### Jocelyn Lefebvre

**Born on 22 December 1957, in Quebec, Canada, Canadian and French nationality.**

Jocelyn Lefebvre is graduate from the Ecole des Hautes Etudes Commerciales in Montreal and is also a member of the Ordre des Comptables Professionnels Agréés du Québec (CPA, Quebec Order of Chartered Accountants).

He began his career in 1980 at Arthur Andersen, first in Montreal and then in Brussels. In 1986, he joined the Canadian manufacturing group M.I.L. Inc., where he was successively Deputy to the CEO, Vice-President of Administration and of Special Projects, and then of Corporate Affairs while holding the position of CEO of Vickers Inc, one of its main subsidiaries, until 1991. In 1992, Jocelyn Lefebvre joined the Power Corporation of Canada group, where he has held various positions in Europe. In this context, he held a seat on the Boards of Directors of group companies (Imerys, Parfinance, RTL, Suez-Tractebel, Kartesia, AFE, Orior Food). Today he is CEO of Sagard Private Equity and is also a member of the Management Board of Parjointco N.V. and of Power Financial Europe B.V.

Finally, the General Shareholders' Meeting will be asked to recognise the independent status of Laurence Danon Arnaud, Christine Morin-Postel and Martine Verluyten, subject to their appointment being approved.

To qualify for independent status, a Director must, in accordance with the Charter, meet the criteria listed in Article 526ter of the Belgian Companies Code. The Board of Directors believes that Laurence Danon Arnaud, Christine Morin-Postel and Martine Verluyten qualify for independent status. The latter confirmed, in writing, their independence, respectively on 9 February 2017, 23 January 2017 and 18 February 2017.

## 1.2. Information on the Directors<sup>(1)</sup>

### 1.2.1. Main activity and other offices held by the members of the Board of Directors

The full list of offices held by the members of the Board of Directors during the last five years can be found from pages 184 to 197 of this report. The list of offices held in listed companies during the 2016 financial year is given in point 1.2.4.

(1) As communicated individually to the Company by each member of the Board of Directors