Risk management

This section presents a summary table that categorises the main risks related to GBL's activities and the various factors and measures mitigating their potential negative impact.

The risk mapping and a schematic representation of the risk identification, assessment and control process can be found on page 123. The section ends with a detailed description of the internal control and risk management system's formalisation based on the COSO model.

MAIN RISKS	RISK FACTORS	MITIGANTS
Exogenous Risks associated with shifts in external factors such as economic, political or legislative change	- Changes in financial markets, notably with regards to the volatility of share price and interest and foreign exchange rates - Changes in macroeconomic variables (growth rates, monetary policy, inflation, commodity prices, etc.) - Regulatory or budgetary policy changes involving, for example, tax reform or new legal obligations - Specific developments affecting certain geographic areas (Eurozone, emerging countries, etc.)	- Geographic and sector diversification of the portfolio with differentiated cyclical exposure - Ongoing legislative monitoring - Systematic monitoring and analysis of macroeconomic scenarii, markets and investment thesis
Strategy Risks resulting from the definition, implementation and continuation of the group's guidelines and strategic developments	- Differing visions or understanding of the assessment of strategic priorities and inherent risks - Validity of the parameters underlying investment thesis - Geographic or sector concentration of investments	- Formal decision-making process involving all governance bodies and the management - Ongoing monitoring of key performance indicators and regular updates of assumptions and forecasts - Periodic portfolio review at different hierarchical levels - Portfolio diversification
Cash and cash equivalents, financial instruments and financing Risks associated with the management of cash and cash equivalents, financial instruments and financing	- Access to liquidity - Debt leverage and maturity profile - Quality of counterparties - Relevance of forecasts or expectations - Interest rate exposure - Developments in financial markets - Volatility of derivative instruments	- Rigorous and systematic analysis of considered transactions - Definition of trading limits - Diversification of investment types and counterparties - Strict counterparty selection process - Monitoring of the liquidity profile and limitation of net indebtedness - Formal delegations of authority with the aim to achieve appropriate segregation of duties - Systematic reconciliation of cash data and the accounting
Operations Risks resulting from inadequacies or failures in internal procedures, staff management or systems in place. Risk of non-compliance with quality standards, contractual and legal provisions and ethical norms	- Complexity of the regulatory environment - Adequacy of systems and procedures - Exposure to fraud and litigation - Retention and development of employees' skills	- Internal procedures and control activities regularly reviewed - Implementation of delegations of authority to ensure an appropriate segregation of duties - Maintenance of and investments in IT systems - Hiring, retention and training of qualified staff - Internal Code of Conduct and Corporate Governance Charter

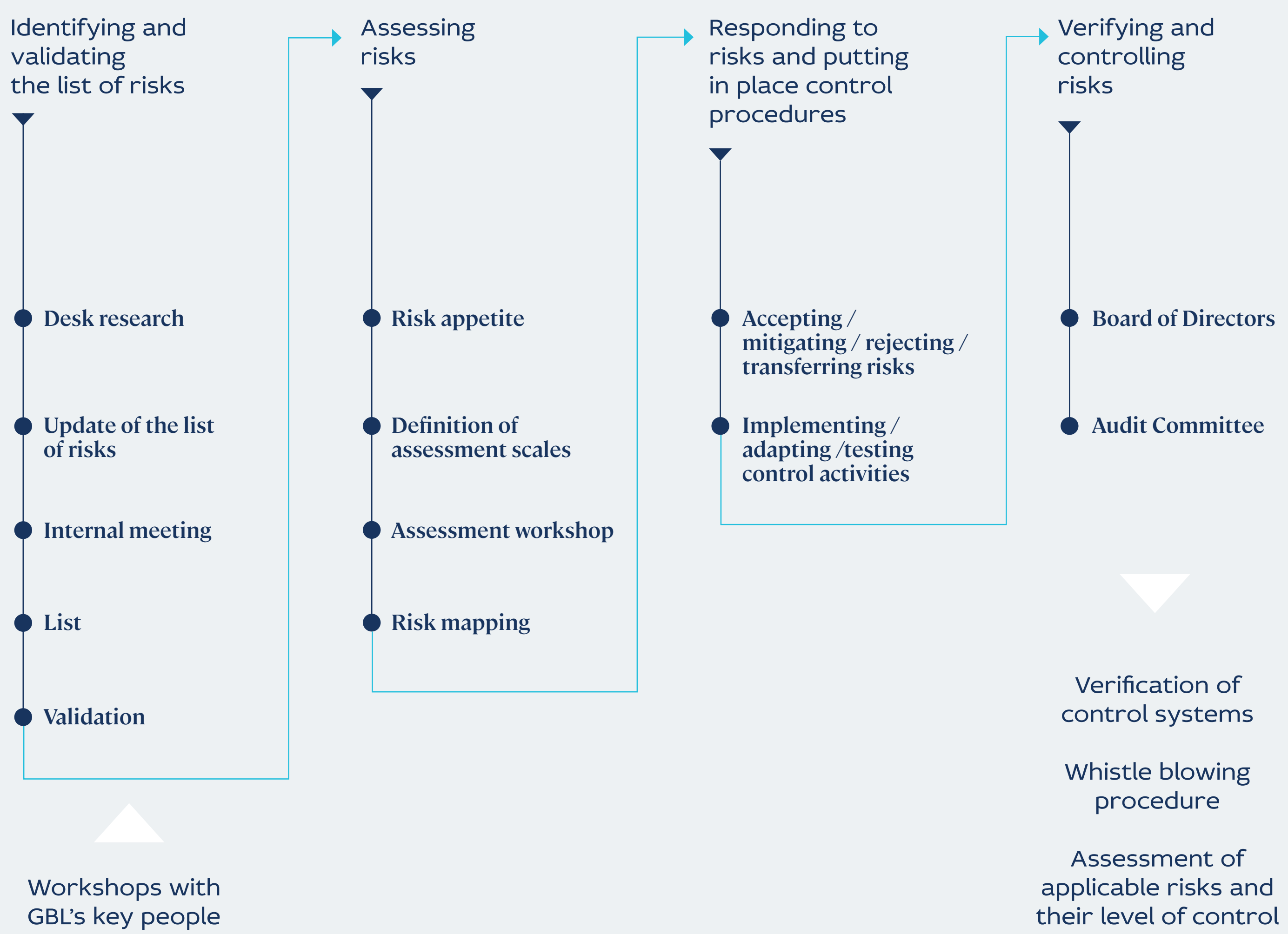
SPECIFIC RISKS RELATED TO THE PARTICIPATIONS	GBL indirectly faces specific risks related to the participations, which are identified and addressed by the companies themselves within the framework of their own internal control. The analysis conducted by these companies in terms of risk identification and internal control is described in the reference documents available on their website.	**adidas:** www.adidas-group.com **SGS:** www.sgs.com **Pernod Ricard:** www.pernod-ricard.com **LafargeHolcim:** www.lafargeholcim.com **Imerys:** www.imerys.com **Umicore:** www.umicore.com **Webhelp:** www.webhelp.com **Mowi:** www. mowi.com **GEA:** www.gea.com **Ontex:** www.ontexglobal.com **Parques Reunidos:** www.parquesreunidos.com **Sienna Capital:** www.sienna-capital.com

RISK MANAGEMENT AND INTERNAL CONTROL

GBL's Board of Directors is responsible for assessing the risks inherent to the GBL group and the effectiveness of the internal control system. With regards to risk management and internal control, the Belgian legislative framework consists of the law of December 17, 2008 (application of European Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts) and the law of April 6, 2010 (the so-called "Corporate Governance" Law). The 2020 Belgian Corporate Governance Code also includes provisions on that topic. Besides, the IFRS 7 standard defines additional requirements for the management of risks related to financial instruments. Since 2006, GBL has formalised its internal control and risk management system based on the COSO model [1].

The COSO methodology is based on five areas: the control environment, risk assessment, control activities, information and communication, and supervision and monitoring.

IDENTIFICATION, ASSESSMENT AND CONTROL OF RISKS AT GBL



1. Control environment

1.1. The company's objective

GBL's primary objective is to create, over the long term, value for its shareholders. GBL strives to develop a quality portfolio focused on a targeted number of companies that are leaders in their sector and in which it can play an active role as as an engaged and responsible shareholder creating value over the long term. The portfolio will evolve over time while remaining balanced in terms of sectorial and geographic diversification.

GBL invests and divests depending on companies' development and market opportunities in order to achieve its objective of value creation, while maintaining a solid financial structure.

Internal control at GBL contributes to the safeguarding of assets and the control and optimisation of transactions. It aims at providing reasonable assurance about achievement of the objectives of compliance with laws and regulations in force and the reliability of accounting information and financial reporting. Like any control system, it can only provide a reasonable assurance that the risks of errors or fraud are totally controlled or eliminated.

1.2. Role of the governance bodies

GBL has a Board of Directors, a Standing Committee, a Nomination, Remuneration & Governance Committee and an Audit Committee. Their respective modes of operation are described in page 220 and from pages 233 to page 235. The Audit Committee is in charge in particular of checking the effectiveness of the company's internal control and risk management systems. In this context, the Audit Committee also monitors the proper application of a whistle blowing procedure. The majority of its members, all of whom are designated by the Board, are independent Directors. The Chairman of the Audit Committee is appointed by the members of the Committee and cannot be the Chairman of the Board of Directors.

1.3. Risk culture

GBL aims at investing in companies that offer potential for value creation in the long term. New opportunities and portfolio management are monitored continuously at the highest level (see "Portfolio risk" in page 125). The divestment policy (as detailed in page 37 of the "Portfolio management strategy" section) aims at disposing of investments that no longer meet the group's investment criteria.

1.4. Professional ethics

GBL has adopted a Corporate Governance Charter and a Code of Conduct that are regularly updated and aim to ensure conduct that is honest, ethical and complies with the laws, regulations and principles of good governance, by the group's Directors and staff in the exercise of their duties.

1.5. Measures adapted to ensure appropriate competence

The Nomination, Remuneration & Governance Committee reviews candidacies and seeks to ensure that a satisfactory balance is maintained within the Board of Directors in terms of its members' competences, knowledge and experience, particularly in the fields of finance, accounting and investment. The Board of Directors conducts on a regular basis, at intervals of no more than three years, assessments of itself and its Committees in terms of size, composition and performance. In this context, it also examines regularly the interaction between non-executive Directors and the CEO.

Furthermore, a recruitment process suited to the profiles sought, appropriate training and a remuneration and evaluation policy based on the achievement of targets enable to ensure the competence of GBL's staff.

2. Risk analysis

GBL has set up a formal risk analysis and assessment process since 2006.

The Audit Committee carries out a thorough exercise for the identification of risks faced by GBL and their ranking every three years. The risks identified during the last assessment carried out in 2018 are presented on pages 125 to 129.

Furthermore, the risks and their level of control are reviewed annually, notably based on changes in the portfolio, economic parameters or the control environment.

The Audit Committee reviews the analysis and assessment of the risks performed by the Management, and validates the operational effectiveness of the internal control systems. When necessary, it ensures that the CEO implements a corrective action plan.

The current level of control of these risks (see "Control activities" below) appears sufficient and no additional measures are required to be implemented.

Specific risks related to GBL's participations

Each of GBL's strategic investments is exposed to specific risks which, if they were to materialise, could lead to a change in the overall value of GBL's portfolio, its distribution capacity or its results profile. The bulk (88%) of GBL's portfolio at year-end 2020 was composed of twelve participations which themselves analyse their risk environment. These are described and analysed in their respective management reports and registration documents in accordance with legislation in force.

GBL is also exposed to risks related to its investments carried out through Sienna Capital which nevertheless currently account for 12% of the portfolio value.

Risks specific to GBL

1. Risk related to strategy implementation

The strategy must reflect a clear vision that addresses shareholders' expectations. It must be shared by the CEO and carried out through operational action plans, based on appropriate assumptions, in order to avoid the risk of inefficient implementation and failure to comply with the value creation objectives.

2. Portfolio risk

The composition of the portfolio may involve a particular exposure to certain sectors, certain geographic areas or certain regulations. Investment and divestment decisions must be based on sufficient and adequate analyses in order to ensure that GBL's portfolio remains balanced and in line with the group's strategic orientations.

3. ESG risk

On the basis of an in-depth internal analysis, GBL has decided not to position an ESG risk in the risk mapping as it is a combination of areas of focus which cannot be assessed based on a single, common evaluation grid. Indeed, and similarly to its ESG approach, GBL's exposure to ESG risks is dual. GBL is, on the one hand, directly exposed to ESG-related risks, as an employer and a contributor to the communities in which it operates.

On the other hand, GBL is indirectly exposed to ESG risks in its quality of responsible investor. Additionally, and although environmental, social and governance risks are considered with the same underlying goal of carrying out sustainable activities in the long term, they remain largely diverse in nature, rely on a variety of fundamentals and require different evaluation criteria.

Consequently, GBL's ESG risk exposure will remain assessed indirectly, as described in the ESG section (pages 94 to 121).

4. Stock market risk

GBL is exposed, given the nature of its activities, to stock market fluctuations within its portfolio. Moreover, stock market volatility may impact GBL's share price.

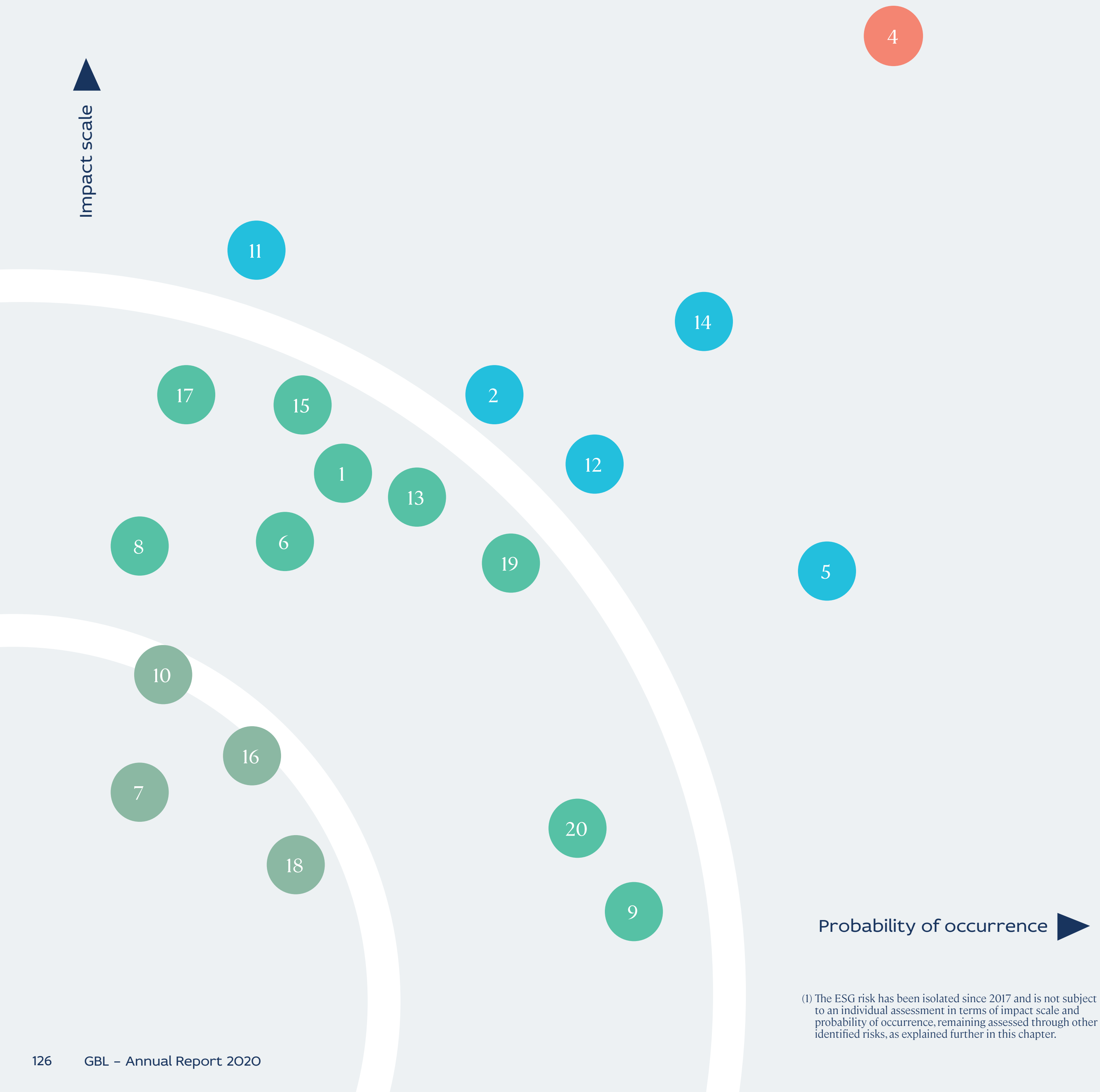
(1) The COSO (Committee of Sponsoring Organisations of the Treadway Commission) is a recognised private, international, non-governmental organisation active in the areas of governance, internal control, risk management and financial reporting

RISK MAPPING 2020

- Very high
- High
- Medium
- Low

1. Risk related to strategy implementation
2. Portfolio risk
3. ESG risk (1)
4. Stock market risk
5. Change risk
6. Counterparty risk
7. Treasury risk
8. Liquidity risk
9. Interest rate risk
10. Risk related to derivative financial instruments
11. Eurozone risk
12. Legal risk
13. Tax risk in the current legal and regulatory environment
14. Tax risk related to legal and regulatory changes
15. Risk related to financial and non-financial reporting
16. Risk of delegation of authority
17. Risk of non-compliance with professional practices and ethics standards
18. Risk related to IT infrastructure
19. Risk related to information access management (IT and non IT)
20. Risk related to human resources

Risk mapping provides indicative information, which may change at any time, particularly depending on market conditions. GBL makes no declarations or warranty and takes no undertaking as to the relevance, accuracy or completeness of the information that it contains.



(1) The ESG risk has been isolated since 2017 and is not subject to an individual assessment in terms of impact scale and probability of occurrence, remaining assessed through other identified risks, as explained further in this chapter.

5. Foreign exchange risk

GBL is exposed to foreign exchange risk that may have an impact on its portfolio value through investments listed in foreign currencies, as well as on the dividend flows it receives.

6. Counterparty risk

Counterparty default risk occurs primarily within the framework of deposit, drawdown under the credit lines, hedge transactions, purchase/sale of listed shares, derivative financial instruments or other transactions carried out with banks or financial intermediaries, including collateral transactions.

7. Treasury risk

A lack of control over cash inflows, outflows and investments in money market instruments may have significant financial consequences.

8. Liquidity risk

GBL's financial resources are not sufficient to implement its investment strategy and to meet its obligations.

9. Interest rate risk

GBL is exposed, given its financial position, to changes in interest rates that could have an impact on both its debt and its cash.

10. Risk related to derivative financial instruments

The value of derivative financial instruments evolves depending on market conditions. Use of such instruments must comply with the prerequisites in terms of technical analysis as well as legal documentation to ensure that these instruments are effective and meet GBL's strategy.

11. Eurozone risk

The transactions carried out by GBL are mainly denominated in euros. The European Union and the Eurozone have been weakened over the past years notably by political tensions and the Brexit process in progress.

12. Legal risk

As a company listed on a regulated market and as an investor in industrial, consumer goods and business services companies, GBL is subject to many statutory and regulatory provisions. In the course of its activities and through its strategy, in addition to complying with those rules, GBL must also monitor them so that changes therein are appropriately taken into account in the management of its activities and governance.

13 - 14. Tax risk related to current legal and regulatory framework and related to legal and regulatory changes

GBL must manage and foresee the tax implications of all its strategic decisions, comply with its legal and tax reporting obligations and monitor potential changes in the Belgian and international legal framework to avoid any risk of non-compliance that could have negative effects. Given the complexity of the current and constantly changing environment, it is all the more important that GBL controls and effectively monitors this tax risk.

15. Risk related to financial and non-financial reporting

Complete, reliable and relevant information is a key element of management and governance and is also central to GBL's communication. Competent teams in charge of producing that information and appropriate information systems must enable to control the risk that financial and non-financial information is not prepared in a timely manner, is incomplete or is not understandable to the reader. Furthermore, budgets and projections are supports to decision-making and management control. Their reliability and relevance can influence the group's performance.

16. Risk of delegation of authority

An inappropriate definition or the failure to comply with signing authority and delegation of authority could commit GBL to unauthorised transactions. A control environment that fails to ensure the segregation of duties and to preserve the group from fraud could result in financial losses and harm its image.

17. Risk of non-compliance with professional practices and ethics standards

GBL is exposed to the risk that behaviour and decisions of its managers or employees, whether individually or collectively, may not comply with professional practices and ethics standards it endorses. GBL's historic performance, its investment policy, its behaviour as a shareholder and its approach to ethics and governance contribute to the group's renown. Preserving this is essential, as a failure to do so could trigger financial losses and harm the group's image.

18. Risk related to IT infrastructure

This risk relates to the general IT environment (including hardware, network, back-up system, software, etc.). The infrastructure and developed tools must address GBL's operational needs in an appropriate manner. Any failure must be anticipated or resolved without any impact on the group's activities.

19. Risk related to information access management

The security of the systems and information access management must ensure that no transaction violates the existing control procedures and that no information is used by unauthorised persons.

20. Risk related to human resources

The group has to recruit, retain and develop the human resources required to ensure that it operates effectively and achieves its objectives.

3. Control activities

Control activities encompass all measures taken by GBL to ensure that the identified key risks are appropriately controlled.

Risk prioritisation has been carried out based on impact (financial, reputational, legal or operational) and occurrence criteria.

This analysis revealed that GBL is exposed simultaneously to:
- exogenous risks, whose materialisation depends on factors outside its control but whose impact the group aims at limiting;
- endogenous risks that arise from its own environment.

The specific risks related to the participations are identified and addressed by the companies themselves within the framework of their own risk management and internal control. The table on page 123 mentions links to the websites where these companies' analyses conducted on risk identification and internal control can be found.

Exogenous risks

Exogenous risks related to external factors, such as market developments and economic, political and regulatory changes, may have a major impact on GBL's operating environment and performance. Exogenous risk factors are, by definition, generated outside the company's scope of control and therefore their occurrence cannot be controlled. However, these risks can be assessed in order to find solutions that mitigate their impacts.

- Stock market risk: stock market fluctuations are inherent to the company's activity and may be mitigated only by adequate diversification, thoughtful investment or divestment decisions and ongoing anticipation of market expectations. This risk and the related mitigants are closely tied to the portfolio risk referred to below.
- Eurozone risk: changes to the economic and political context in the group's areas of activities are monitored particularly closely in terms of exposure and assessment of potential impacts, and the group's needs to adapt its investment strategy or implement specific action plans.
- Legal, tax and regulatory changes: GBL strives to anticipate the regulatory changes (administrative or legal) to which it is subject in order to avoid any risk of non-compliance or adverse impact on the attractiveness of an investment. The group therefore takes such changes into account in its objectives in terms of performance and respect of shareholders and third parties.

- Interest rate risk: GBL's gross indebtedness is mainly at fixed rate. Regarding its cash position, GBL has chosen, despite the negative interest rate environment imposed by the European Central Bank, to continue to favor liquidity while limiting counterparty risk. The cash is placed at very short term and is subject to precise monitoring depending on changes in market conditions and constraints specific to GBL. In this regard, the group remains attentive to the evolution of rates and their relevance in the general economic context.
- Foreign exchange risk: GBL hedges this risk for declared dividends while it remains exposed to foreign exchange fluctuations directly impacting its portfolio value. Nevertheless, geographic and sector diversification makes it possible to reduce the risk of exposure to a particular foreign currency.

Endogenous risks

The endogenous risks related to GBL's activities are the following:
- Risk related to strategy implementation
- Portfolio risk
- ESG risk
- Counterparty risk
- Treasury risk
- Liquidity risk
- Risk related to derivative financial instruments
- Tax and legal risk in the current legal and regulatory environment
- Risk related to financial and non-financial reporting
- Risk of delegation of authority
- Risk of non-compliance with professional practices and ethics standards
- Risk related to IT infrastructure
- Risk related to information access management
- Risk related to human resources

Risk related to strategy implementation

The composition of the portfolio resulting from the implemented strategy is a key performance element for GBL with a view to creating value for its shareholders. The related decisions are analysed and approved in accordance with the process described below (see "Portfolio risk") by various governance bodies which ensure that they are in line with the group's strategic direction. Furthermore, the assumptions on which the analyses are based and the underlying forecasts are regularly assessed and adjusted when necessary.

Portfolio risk

GBL seeks to mitigate this risk by selecting high-quality assets, leaders in their sectors and by diversifying its portfolio. Any investment or divestment is the subject of in-depth analyses, performed according to pre-established criteria. These are reviewed by the CEO and the Standing Committee and then approved by the Board of Directors. Existing investments are monitored through a systematic and regular portfolio review carried out by the various relevant reporting levels at GBL and at every meeting of the Board of Directors. The direction of the Participations department is regularly invited to the Board meeting to present the development strategy.

GBL's managers regularly meet the management of the companies in portfolio and usually sit on their Committees and Boards of Directors. A continuous dialogue is also maintained with industry experts.

ESG risk

The control activities related to the ESG risks are described in the ESG section (pages 94 to 121).

Counterparty risk

GBL mitigates this risk through the diversification of its counterparties, a continuous evaluation of their quality by analysing their financial situation, and, with regards to treasury management specifically, through a choice of different types of investments.

As an indication, as of December 31, 2020, and on the basis of the ratings assigned by S&P, 35% of the committed credit lines were with banks with a credit rating of A+, 18% with banks with a credit rating of A and 47% with banks with a credit rating of A-. On the basis of the ratings assigned by Moody's, as of December 31, 2020, 44% of the committed credit lines were with banks with a credit rating of Aa3, 9% with banks with a credit rating of A1 and 47% with banks with a credit rating of Baa1 [1]. Credit ratings may, however, not reflect the potential impact of all risks related to GBL's counterparties and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant credit rating agency.

Moreover, as of December 31, 2020, most of the cash was placed in money market funds (SICAVs) selected on the basis of their size, volatility and liquidity, and in current account deposits with a limited number of tier 1 banks. All financial contracts (including ISDAs) are internally reviewed by the legal department.

Treasury risk

Treasury transactions are subject to documented limits and rules, formal delegations of authority, segregation of duties and reconciliation of treasury data with the accounting. Appropriate IT tools are used, notably enabling to monitor cash positions, carry out cash flow projections, assess return on cash placements.

Liquidity risk

GBL has a solid liquidity profile ensuring it has readily available resources to quickly seize investment opportunities, support its portfolio companies in the event of a capital increase, honor the group's commitments, notably in respect of Sienna Capital and the debt towards Webhelp's minority shareholders, guarantee the payment of its dividend, meet its requirements in terms of debt service, as well as ensure the payment of its current expenses.

GBL also maintains a limited net indebtedness in comparison to its portfolio value.

GBL's financial flexibility is in particular ensured by the group's cash management policy which is conservative in terms of investment horizon, by its committed credit lines, none of which has financial covenants, whose undrawn amount and maturity profile are maintained at appropriate levels and by GBL's access to capital markets, eased by the assignment by S&P and Moody's of attractive longterm issuer credit ratings.

Risk related to derivative financial instruments

Transactions in this field require the approval of the Board of Directors, which may delegate proper execution to the CEO. The transactions are carried out within the framework of well-established documentation and predefined budgets and limits. They are subject to specific and appropriate prior analysis and systematic monitoring. GBL has also put in place strict rules in terms of appropriate segregation of duties and internal approval processes. Every financial transaction requires two signatures and is systematically reviewed by the finance and legal departments.

Tax and legal risk in the current legal and regulatory environment

GBL ensures compliance with the regulatory obligations (legal and tax obligations) to which it is subject in each of the countries in which it operates, with the support of skilled teams, both internally and externally.

Moreover, GBL promotes contractual discipline which is a general matter and is notably applied to the agreements in relation to transactions of financing and cash management, shares' acquisition or disposal as well as derivative instrument contracts. GBL must also manage, in an appropriate manner, litigation in the context of its own activities.

(1) The indicated ratings assigned by S&P and Moody's refer to either (i) the issuer rating of the ultimate parent company of the relevant bank where this entity is listed or (ii) the senior unsecured debt rating of the direct parent company of the relevant bank where this entity is unlisted (source: Bloomberg).

Risk related to financial and non-financial reporting

GBL publishes consolidated financial statements as well as key financial data four times a year and an integrated sustainability report including non-financial information once a year. Those are reviewed by internal committees and then by the Audit Committee before being approved by the Board of Directors. Complex accounting subjects, notably in relation to the appropriate application of IFRS and to the standards' changes, main estimates and judgments as well as specific transactions of the period are discussed with the Statutory Auditor and in Audit Committee.

Additionally, key financial data, such as the valorisation of assets, the budget and the revised projections, the financing means, the cash management and the access to liquidities, are presented and are discussed in-depth during those meetings. Lastly, the Statutory Auditor carries out its audit procedures, comments on the way its assignment is proceeding and presents its conclusions to the Audit Committee.

The consolidation process is based on a centralised accounting IT system in place in the group's subsidiaries which ensures consistency and comparability of the chart of accounts and accounting treatments. Transaction's accounting recording is based on an appropriate segregation of duties, a review of non-recurring operations by the financial department, an appropriate documentation of operations carried out in relation to treasury and investments, and a documentation of the reconciliation process between the different systems.

Risk of delegation of authority

The company relies on a system of internal authorities adapted to its operations and appropriate separation of duties procedures. The Articles of Association provide that the company can be validly represented by two Directors. Additionally, the CEO has a large degree of autonomy in the context of day-to-day management, which is not limited to the execution of the decisions of the Board of Directors but encompasses all acts necessary to ensure GBL's normal course of business. Finally the Board of Directors can assign special mandates which require the prior approval of at least two individuals to represent validly GBL vis-à-vis third parties.

Risk of non-compliance with professional practices and ethics standards

GBL seeks to play a leading role in promoting and implementing good professional practices and ethics standards. The group intends to achieve its objective of value creation through a long-term strategy in strict compliance with the ethical principles set out in the Code of Conduct and the Corporate Governance Charter which apply to the group's Directors and staff. The control system that has been put in place takes into account the control activities carried out to prevent the risk of inappropriate behaviour within the company's various operating cycles (including segregation of duties, formal delegation of authority, effective IT and information management systems, etc.). In addition, GBL's values are shared with employees through, among other things, regular information sessions and an environment that encourages ethics and good business conduct.

Risk related to IT infrastructure

An appropriate IT architecture has been put in place that meets GBL's requirements in terms of functionalities, security and flexibility. A back-up plan has been implemented to ensure recoverability of data and continuity of operations in the event of a system failure. Furthermore, a thorough analysis of the adequacy of the architecture to GBL's needs is carried out at regular intervals, to ensure its effective operation and its consistency with technological developments and, when necessary, to put in place corrective action plans.

Risk related to information access management

Adequate information access procedures and data protection tools are in place and tested regularly. Intrusion or cyber attack risks are continually analysed and assessed to provide, if necessary, corrective actions.

Risk related to human resources

GBL strives to have skilled and sufficiently resourced teams in relation to the company's needs and conducts, if required, the necessary reinforcements. Trainings are also proposed to employees based on their field of expertise in order to update and develop their knowledge and skills. An annual evaluation process based on the achievement of objectives enables to ensure an appropriate assessment of the performance of GBL's employees. Finally, GBL grants to its employees a fulfilling working environment, an attractive remuneration policy and ensures the alignments of the employees' interests with the achievement of the group's strategic objectives.

4. Information and communication

GBL has developed a standardised information flow process in order to communicate reliable financial information to shareholders in a timely manner. GBL has been applying IFRS requirements since 2000.

Its assessment rules and accounting principles are published every year in its annual report. Standardised financial reporting is used both upstream and downstream within GBL group in order to ensure the consistency of data and to detect potential anomalies.

A financial calendar for this reporting is established every year in consultation with the controlling shareholder, the subsidiaries and the associated companies based on the publication dates.

The Investor Relations department ensures that significant transactions and important changes within the group are communicated in an accurate and timely manner.

5. Supervision and monitoring

Supervision is exercised by the Board of Directors through the Audit Committee. Given the structure and nature of GBL's activities, there is no internal auditor's function. This situation is assessed on a yearly basis and has so far been deemed appropriate.

The Statutory Auditor (Deloitte Reviseurs d'Entreprises) also reviews on a yearly basis the internal control on the risks related to GBL's financial statements. This review of internal control forms part of its assignment of certifying GBL's statutory and consolidated financial statements in compliance with audit standards applicable in Belgium. More specifically, the Statutory Auditor tests, on the basis of a triennial rotation plan, the operational effectiveness of internal control with regards to risks that are deemed critical in relation to the financial statements. Its work consists of discussions with members of the organisation while testing a given number of transactions.

The conclusions of this work are presented in a report submitted to GBL and do not reveal any major deficiencies in the internal control. The report is submitted to the members of the Audit Committee.