

# KBC INSURANCE NV CORPORATE GOVERNANCE CHARTER<sup>1</sup>

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<sup>1</sup> Approved by the Board of Directors of KBC Insurance NV on 19 December 2019.

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## **INTRODUCTION**

This Corporate Governance Charter of KBC Insurance NV sets out the main aspects of its Corporate Governance policy.

The Board of Directors regularly checks whether the content of the Charter is in line with prevailing legislation and regulations and whether it is up to date.

More factual information relating to Corporate Governance policy is included every year in a separate Corporate Governance statement appearing in a specific section of the Annual Report.

## **1. KBC INSURANCE NV MISSION AND VISION**

KBC Insurance NV is a wholly-owned subsidiary of KBC Group NV. These two companies, together with all other direct and indirect subsidiaries of KBC Group NV, make up the KBC group.

KBC Insurance NV shares the same mission and vision as KBC Group NV.

The KBC group has set following strategic goals:

- KBC strives to offer its clients an unique bank-insurance experience;
- KBC develops the group with a long-term perspective and therefore achieves sustainable and profitable growth;
- KBC puts its clients' interests at the heart of everything it does and offers them a high-quality service and relevant solutions;
- KBC takes its responsibility towards society and local economies very seriously and aims to reflect that in its everyday activities.

These four cornerstones interact with each other, allowing KBC to offer its clients, employees, shareholders, and society an unrivalled experience of growing and protecting what is valuable to them, today and tomorrow.

KBC is convinced that its strategy – powered by its PEARL culture and with the contribution of its people – helps the group earn, keep and grow trust day by day, making it the reference in its core markets.

Within the framework of the integrated KBC bank-insurance group, KBC Insurance NV carries out, in Belgium and abroad, all insurance, co-insurance, reinsurance and capitalisation operations and manages group pension funds. For instance, it performs all 'movable', 'immovable', financial, industrial, commercial or civil operations, places risks at other undertakings, participates in and allows participation by all undertakings, companies or associations by means of contributions, mergers, subscriptions or by any other means, and manages collective investment funds within the meaning of the legislation on insurance supervision.

## **2. STRUCTURE AND ORGANISATION OF KBC INSURANCE NV**

### **2.1. Legal structure**

KBC Insurance NV is a company with limited liability (*naamloze vennootschap*) incorporated under Belgian law. The life of the company is indefinite.

The main subsidiaries of KBC Insurance NV are ADD NV (Belgium), ČSOB Pojišť'ovna (Czech Republic), ČSOB Poist'ovňa a.s. (Slovakia), DZI Insurance Plc (Bulgaria), VAB Group NV (Belgium), K&H Biztosító Zrt. (Hungary) and KBC Group Re SA (Luxembourg).

## 2.2. Management structure

KBC Insurance NV applies a dual structure at both its own level and at the level of its subsidiaries:

- Within the framework of the overarching strategy of the KBC group, the *Board of Directors* defines the strategy and general policy of the company. It decides on risk policy, including risk appetite. It supervises management and decides on the governance of the company with respect to such matters as fall within its remit.
- The *Executive Committee* is responsible for the operational management of the company within the confines of the strategy, the general policy and risk policy approved by the Board of Directors. The operational management is carried out on the basis of a transfer of authority from the Board of Directors to the Executive Committee and encompasses all management powers of the Board of Directors except those which, by law, are expressly reserved for the Board of Directors.

## 2.3. Internal Governance of the KBC group

The KBC group has a specific group structure within which the various Group Companies – primarily credit institutions, investment companies, insurance companies, and management companies of undertakings for collective investment – are brought together operationally in one or more Business Units managed by KBC Group NV.

KBC Group NV sets the strategy for the whole group and seeks, within the operational framework of the Business Units, to create synergy among the various Group Companies, to use the full potential of the KBC group as financial conglomerate, to achieve unity and continuity of management, and to monitor and manage the risks of the KBC group as financial conglomerate efficiently and effectively. This is done in compliance with the laws and regulations governing the individual core activities of its subsidiaries.

The Business Units are managed as a whole by the executive committee of KBC Group NV. The executive committee of KBC Group NV is composed of a Group Chief Executive Officer (Group CEO), a Group Chief Financial Officer (Group CFO), a Group Chief Risk Officer (Group CRO), a Chief Innovation Officer (Group CIO), a Chief Executive Officer for the Belgium Business Unit, a Chief Executive Officer for the Czech Republic Business Unit and a Chief Executive Officer for the International Markets Business Unit. The Group CEO, Group CFO and Group CRO are members of the board of directors of KBC Group NV. The other members of the executive committee of KBC Group NV also attend board of directors' meetings of KBC Group NV.

## 2.4. Operational organisation

Operationally, the KBC group is made up of Business Units and general operational support units at group level. Management Committees are set up to run these units.

The KBC group's commercial operations are divided up into three Business Units, namely Belgium, Czech Republic and International Markets. These Business Units comprise several Group Companies (primarily credit institutions, investment companies, insurance companies, and management companies of undertakings for collective investment). Certain activities of some Group Companies (such as KBC Bank NV) are managed from different Business Units. Each Business Unit is led by a CEO, who is a member of the executive committee of KBC Group NV.

In addition, there are four general operational support units that operate on behalf of the KBC group. These are 'Corporate Staff', which comes under the Group CEO, 'CRO Services' under the Group CRO, 'CFO Services' under the Group CFO and 'Innovation and Digital Transformation', which comes under the Group CIO.

### **3. SHARES, CAPITAL AND SHAREHOLDER STRUCTURE**

#### **3.1. Shares**

##### **3.1.1. *Registered shares***

The shares of KBC Insurance NV are registered shares. The shareholder register is kept electronically at the company's registered office.

##### **3.1.2. *Voting rights***

Each share gives entitlement to one vote.

The company recognises only one owner per share for the exercise of voting rights.

#### **3.2. Capital**

##### **3.2.1. *Statement of capital***

On 31 December 2018, the issued share capital of KBC Insurance NV amounted to 65 156 172 euros, divided into 1 050 906 shares with no nominal value. The share capital is fully paid up.

##### **3.2.2. *Capital increase and issue of shares***

The decision to increase share capital via the issue of new shares is taken by shareholders at the General Meeting in compliance with specific quorum and majority voting requirements.

The General Meeting also decides on the issue of registered warrants and bonds or warrants and bonds in book-entry form.

##### **3.2.3. *Preferential subscription rights***

On each capital increase carried out by means of a contribution in cash, the new shares must be offered first to the existing shareholders in proportion to the amount of capital that their shares represent at the time of issue.

However, the General Meeting may decide, within the confines set out by the law and the Articles of Association, that all new shares, or a portion thereof, will not be offered first to the existing shareholders. In that case, the General Meeting will itself establish the conditions and, in particular, the price of the share issue without preferential subscription rights. In the event of the suspension or restriction of the preferential subscription rights, a right of precedence may be granted to shareholders on allotment of the new shares.

##### **3.2.4. *Capital reduction***

The General Meeting may approve a reduction in capital, provided that specific quorum and majority voting requirements and other legal and statutory requirements are met. The purpose of the reduction, and the procedure to be followed, must be published in the notice convening the General Meeting.

#### **3.3. Shareholders**

##### **3.3.1. *Structure***

The shares of KBC Insurance NV are not offered to the public. Apart from one share, which is held by KBC Bank NV and 48°889 shares held by KBC Insurance NV itself, all the shares of KBC Insurance NV are held by KBC Group NV.

### **3.3.2. *Equal treatment and information***

Like all companies of the KBC group, KBC Insurance NV attaches great importance to giving its stakeholders equal access to information. It accordingly seeks to ensure that information it provides via various channels is disclosed simultaneously.

### **3.3.3. *Dialogue with shareholders and other stakeholders***

In addition to the provisions in 3.3.2, KBC Insurance NV – as part of the KBC group - strives to maintain a permanent dialogue with its stakeholders. It does so primarily via the Investor Relations Office of the KBC group, which regularly organises information meetings for financial analysts and investors (whose presentations in this regard are, in many cases, made available on the website).

## **4. GENERAL MEETING**

### **4.1. General**

Each year, the Board of Directors convenes an ordinary General Meeting to be held at its registered office at Professor Roger Van Overstraetenplein 2, 3000 Leuven, at 11:30 a.m. on the Wednesday immediately preceding the last Thursday in April. The General Meeting may also be held elsewhere, as indicated in the convening notice. If this day is a statutory public holiday or bank holiday, then the General Meeting will be brought forward to 11:30 a.m. on the banking day immediately immediately preceding that day.

Furthermore, the Board of Directors and statutory auditor may convene extraordinary and special General Meetings. They are required to do so if KBC Group NV as sole holder of at least one-fifth of the shares or representative of one-fifth of the share capital, requests the Board of Directors to do so by registered letter. This letter must list and substantiate the case for the proposed agenda items. In this case, the General Meeting must be convened within three weeks of the date postmarked on the registered letter.

### **4.2. Agenda items**

The following agenda items, among others, will be submitted to the General Meeting:

- A. Ordinary General Meeting
  - Presentation of the combined Annual Report of the Board of Directors on the company and consolidated financial statements;
  - Presentation of the statutory auditor's reports on the company and consolidated financial statements;
  - Presentation of the consolidated financial statements;
  - Approval of the company annual accounts and the allocation of profit (including the payment of a dividend);
  - Granting of discharge to the members of the Board of Directors and the statutory auditor;
  - Appointment and removal of directors and of the statutory auditor;
  - Renewal of the term of office of directors and of the mandate of the statutory auditor;
  - Establishment of the remuneration for directors and the statutory auditor.
  
- B. Extraordinary General Meeting
 

All amendments to the Articles of Association due to, among other things:



- the issue of KBC Insurance NV shares;
- a capital reduction;
- decisions which concern the existence, object and form of the company.

C. Special General Meeting

All items not dealt with at an annual or extraordinary General Meeting and which fall under the authority of the General Meeting.

### 4.3. Convening notice and agenda

As stated above, the shares of KBC Insurance NV are not offered to the public and are, therefore, not admitted for trading on a Belgian or foreign regulated market. All shares except the shares held by KBC Insurance NV itself are registered in the name of KBC Group NV and KBC Bank NV. Consequently, it is sufficient under the law to send the convening notice to these registered shareholders by registered letter or any other means of communication these shareholders expressly agree to in writing.

The notice convening General Meetings must specify, *inter alia*, the place, time and date of the meeting and set out the agenda of items to be dealt with.

The agenda is drawn up by the Board of Directors. The various agenda items are communicated as clearly as possible.

The two registered shareholders (KBC Group NV and KBC Bank NV) and the directors and the statutory auditor will be sent a convening notice, together with the documents required by law, at least fifteen days prior to the General Meeting.

The convening formalities and convening periods may be waived by the shareholders, the directors and/or the statutory auditor.

The shareholders may pass unanimously and in writing all resolutions that fall within the powers of the General Meeting, except those resolutions that have to be passed by authentic deed. The Board of Directors decides on the agenda for the General Meeting at which resolutions will be passed in writing. The resolutions will be deemed to have been passed on the date specified in the minutes, provided that all shareholders have signed the minutes by this date, at the latest.

### 4.4. Proxies

Shareholders may arrange to be represented at the General Meeting by a proxy. The Board of Directors can determine the type of proxy. The company will send a blank copy of the proxy form to the person concerned.

### 4.5 Meeting proceedings

#### 4.5.1. Participants

Shareholders or their proxies will be admitted to the General Meeting on presentation of proof of their identity and, where applicable, a proxy in their name.

They must sign the attendance register.

#### 4.5.2. Chairman and officers

The Chairman or, in his/her absence, a deputy chairman or a director designated by his/her colleagues, will preside over the General Meeting in accordance with the practices that apply in Belgium to general meetings of shareholders. The Chairman will be assisted by a secretary (in principle the secretary to the Board of Directors). The Chairman and the secretary will together constitute the officers of the General Meeting.

#### **4.5.3 Agenda**

The shareholders will receive comprehensive information on the resolutions to be passed, and will be given adequate opportunity to ask questions about the agenda items covered or to give their opinion.

#### **4.5.4 Voting**

Each share gives entitlement to one vote.

Except for resolutions for which the law requires a stricter attendance and/or voting quorum, resolutions will be passed by a simple majority (50% + 1) of the votes validly cast by those present or represented by proxy, regardless of the number of shares participating in the voting. Invalid and blank votes will not be included in either the numerator or denominator.

For amendments to the Articles of Association or for the dissolution of KBC Insurance NV, a quorum of 50% of the issued share capital and a majority of at least 75% of the votes validly cast by those present or represented by proxy is required. If this quorum is not reached, another General Meeting must be convened and held, which may then, regardless of the capital represented, adopt resolutions by a majority of at least 75% of the votes validly cast by those present or represented by proxy.

For amendments to the Articles of Association that pertain to the object of the company, a quorum of 50% of the issued share capital and a majority of at least 80% of the votes validly cast by those present or represented by proxy is required. If this quorum is not reached, then, here too, another General Meeting must be convened, where the quorum requirement will not apply.

Otherwise, the legally required attendance and/or voting quorums will apply.

#### **4.5.5 Reporting**

The secretary to the General Meeting will take the minutes of the General Meeting, which will include the results of any votes. The minutes must be signed by the officers of the General Meeting and kept at the registered office.

The shareholders may, on request, obtain a copy of or an extract from the minutes signed by the Chairman or two directors.

## **5. CHARTER OF THE BOARD OF DIRECTORS**

### **5.1. Powers**

KBC Insurance is administered by a collegiate Board of Directors, which is the highest decision-making body, except in matters that the Companies Code reserves for the General Meeting or another body. The main tasks of the Board of Directors are:

The Board of Directors pursues sustainable value creation by the company, by putting in place effective, responsible and ethical leadership (A), setting the company's strategy (B) and monitoring the company's performance (C). It develops an inclusive approach that balances the legitimate interests and expectations of the shareholders and other stakeholders.

#### **A. Governance of KBC Insurance NV**

- The Board of Directors executes the responsibilities laid down in the Companies Code, such as preparing the consolidated and company financial statements and

the annual reports, setting the agenda for the General Meeting, proposing how profit should be allocated and communicating the remuneration report to the works council,

- To assist it in particular areas, it sets up specialised committees whose members are drawn from the ranks of the Board of Directors. It appoints their members and their chairmen (except the chairman of the Audit Committee).

However, because of their importance to the entire KBC group, certain matters, such as nominations and remuneration, may be dealt with by specialised committees of the board of directors of KBC Group NV, which then advises the Board of Directors (in particular the Nomination Committee and the Remuneration Committee).

- It proposes the nomination of directors to the General Meeting and has power to co-opt new directors in cases of vacancy, once the Nomination Committee's advice has been sought and subject, where required by statute, to the prior approval of the Competent Regulator.
- It decides on the appointment or removal of the chairman and members of the Executive Committee after the Nomination Committee's advice has been sought and subject, where required by statute, to the prior approval of the Competent Regulator. It puts in place an effective, responsible and ethical leadership.
- It decides on the removal from office of persons in charge of compliance, risk management, actuarial function and internal audit.
- It approves the Corporate Governance Charter, containing the charters of the Board of Directors and its advisory committees and of the Executive Committee, taking into account the advice of the advisory committees and the Executive Committee, respectively.

B. Determining and monitoring of the strategy, the main policies and risk policy of the KBC Insurance group.

The Board's remit includes:

- the overall strategy of the KBC Insurance group and of its main various activities. It approves and regularly reviews the medium and long-term strategy;
- monitoring the operational plans and main policies developed to give effect to the approved strategy;
- strategic investments and divestments, the conclusion and dissolution of alliances and co-operation agreements deemed of significant importance by the Executive Committee and Chairman;
- ensuring that the corporate culture is supportive to the realisation of the strategy and that it promotes responsible and ethical behaviour;
- capital allocation, key performance indicators and published performance targets;
- risk policy, including risk appetite;
- remuneration policy
- the organisational structure of KBC Insurance group;
- the governance memorandum.

The Executive Committee submits its proposals on all these matters to the Board of Directors, which, where applicable, takes into account the advice of the relevant advisory committees of the Board of Directors.

C. Supervision of management

The Board of Directors supervises:

- the performance of the Executive Committee and its management culture.
- the development of KBC Insurance group, directly and via its advisory committees. To this end, at regular intervals, it discusses:
  - the development of the business, in particular of the Business Units and business lines, as well as of the significant subsidiaries of KBC Insurance group. The Board of Directors is informed whenever major developments occur within KBC or in the industries in which it operates.
  - the financial reports of KBC Insurance NV, in particular the annual financial statements of KBC Insurance NV (company and consolidated). It monitors the performance against pre-set budgets and targets.
  - the integrated risk reports, the management of all significant risks and the use of external ratings and internal models,
- the integrity of the accounting and financial reporting systems and, at least once a year, the internal control procedures.
- the independent control functions

The Board ensures that there are processes in place for monitoring the company's compliance with laws and other regulations, as well as for the application of internal guidelines relating thereto.

The Board approves the Code of Conduct of KBC Insurance. It ensures that there are processes in place to monitor compliance with this Code at least on an annual basis.

The Board of Directors can request specific reports from the Executive Committee or the statutory auditor on all matters that it deems relevant.

Furthermore, in accordance with the law and the Articles of Association, the Board of Directors has powers to take all action that is necessary or useful to achieve the object of the company, with the exception of that which, pursuant to the law or the Articles of Association, solely another body is empowered to take.

With regard to these powers, the company will be validly represented by two directors, one of whom is required to be an Executive Director, who will sign together, or by persons especially empowered for that purpose.

Interaction between non-executive directors and members of the Executive Committee should take place in a transparent way. The Chairman should always be informed.

Directors may, at the company's expense, seek the advice of an independent expert, having gained prior authorisation to do so from the Chairman.

## **5.2. Composition**

### **5.2.1. Scope**

KBC Insurance NV is administered by a Board of Directors of at least ten and not more than twenty members appointed by the General Meeting.

The Board of Directors is composed of the chairman, a number of directors proposed by the Core Shareholders, two independent directors and the Executive Directors.

### **5.2.2. Independent directors**

Two members of the Board of Directors must qualify as independent directors, as defined in Article 526ter of the Companies Code.

Any independent director who no longer satisfies the criteria to qualify as independent must immediately notify the Board of Directors accordingly.

Within the framework of the integrated bank-insurance model, independent directors will oversee that the interests of KBC Insurance NV and its stakeholders are served.

### **5.2.3. Nominations**

Candidates for vacant or additional seats of Non-Executive Director are nominated by the Board of Directors at the General Meeting, after obtaining the advice of the Nomination Committee of KBC Group NV.

### **5.2.4. Conditions of appointment**

The Board of Directors shall have a balanced composition, ensuring that the board members have adequate insurance – and in the light of the KBC group's bank-insurance activities banking – expertise, general corporate management expertise and broader societal experience. The composition of the Board of Directors will also reflect diversity in terms of nationality, age and gender.

All directors, whether Executive or Non-Executive, and with respect to the latter, regardless of whether or not they are independent, must have the necessary independence of mind.

When a position on the Board of Directors becomes vacant, the Chairman – who is also the chairman of the board of directors of KBC Group NV – together with the Nomination Committee of KBC Group NV that he/she also chairs, will define the specific profile to be met by candidate directors. The Nomination Committee of KBC Group NV ensures that it has all the information required to make an objective assessment of whether the candidates' competences, knowledge and experience meet the stated profile. Candidate directors must also undertake to make the necessary time available to fulfil their obligations as a director of KBC Insurance NV. With that aim in mind, the number of offices that the candidate directors hold in other companies, together with any other major commitments, will be checked.

Having, on the basis of the information provided, assessed the suitability of the candidate director or directors for the vacant seat on the Board of Directors, the Nomination Committee of KBC Group NV will advise the Board of Directors in this regard.

### **5.2.5. Appointments**

Proposals to appoint nominated directors (after first being approved by the NBB), or to re-appoint directors are submitted by the Board of Directors to the General Meeting

for approval. Each proposal is accompanied by a recommendation by the Board of Directors, based on the advice of the Nomination Committee of KBC Group NV.

When nominating an independent director, the Board of Directors states whether the candidate meets the criteria of the Companies Code to qualify as independent.

The General Meeting appoints the directors by a simple majority of votes validly cast by those present or represented by proxy.

The Chairman and deputy chairman of the Board of Directors are selected by the Board of Directors from among the Non-Executive Directors.

If, during the course of a financial year, a directorship falls vacant, the remaining directors may arrange for a replacement and appoint a new director. In that case, the next General Meeting will make a definitive appointment.

A director appointed to replace a director whose term of office had not yet come to an end will complete this term of office unless, at the time of the definitive appointment, the General Meeting indicates a different term of office.

#### **5.2.6. Training**

Newly appointed directors receive appropriate training that provides them with adequate information and documentation on the business activity, strategy, management, principal policy guidelines, risk-management and internal control systems, the various challenges facing KBC Insurance NV and the KBC group, and an update of the legal and regulatory environment.

Based on their individual needs, directors joining the Board of Directors' committees receive initial training that is focused on the specific role, responsibilities and functioning of these committees.

Directors are expected to keep their skills and knowledge of KBC Insurance NV and of the activities of the KBC group up to date. At the Chairman's initiative, separate training sessions may be organised for the Board of Directors to examine specific topics in more depth.

#### **5.2.7. Term of office**

Directors may be appointed for a renewable term of up to four years.

A directorship may be revoked at any time by the General Meeting by a simple majority of the votes cast.

#### **5.2.8. Policy regarding offices held**

##### **5.2.8.1. Offices held on nomination by KBC Insurance NV**

Offices which are accepted on the nomination of KBC Insurance NV may be assigned solely to Executive Directors or to persons appointed on an *ad hoc* basis by the Executive Committee. The latter category may include Non-Executive Directors. Whenever such an office is taken up by an Executive Director, it may not be paid by the company or organisation where it has been taken up, except in strictly exceptional cases.

##### **5.2.8.2. Offices held within the KBC group**

- Non-Executive Directors may not hold executive directorships in other KBC group companies.

- Executive Directors may fill executive directorships in a number of clearly defined categories of other financial companies that are also members of the KBC group.

#### 5.2.8.3. Offices held outside the KBC group

- Non-executive Directors may hold other directorships. Taking up such a position must not give rise to any actual or potential significant conflict of interest.

The Non-Executive Directors must inform the Chairman in due time of any relevant commitments outside the KBC group, and any changes to those commitments.

- Executive Directors may hold executive or non-executive directorships in listed or unlisted companies outside the KBC group, albeit under certain conditions. The Board of Directors decides in the case of directorships held in listed companies, the Executive Committee in all other cases.

#### 5.2.9. **Age limit**

Save in exceptional circumstances, Non-Executive Directors will relinquish their seats at the Annual General Meeting following their 70th birthday.

Save in exceptional circumstances, the term of office of Executive Directors will end at the Annual General Meeting following the date on which they reach the Belgian statutory retirement age, i.e. currently 65.

#### 5.2.10. **Remuneration**

The remuneration awarded to Non-Executive Directors consists solely of an annual fixed component and a fee for each Board of Directors' meeting attended. An additional remuneration can be awarded to the chairmen and the members of the advisory committees of the Board of Directors, in accordance with the remuneration policy. The level of remuneration is set by the General Meeting on the basis of legal requirements and of the KBC group remuneration policy set by the Board of Directors, on the advice of the Remuneration Committee of KBC Group NV.

The Chairman receives a different remuneration package. He/she is paid a fixed emolument, which is set separately by the Remuneration Committee of KBC Group NV and approved by the Board of Directors.

*[More information on the remuneration of Executive Directors can be found under '7.2.7 of the Charter of the Executive Committee']*

### 5.3. **Chairmanship**

The Chairman is elected by the Board of Directors from among its Non-Executive Directors and removed from office on the recommendation of the Nomination Committee of KBC Group NV, subject to the prior approval of the NBB.

The office of chairman of the Board of Directors cannot be held simultaneously with that of office of chairman of the Executive Committee.

The Chairman presides over the Board of Directors and is responsible for ensuring that it functions effectively and efficiently in compliance with current charter of the Board of Directors. The Chairman will endeavour to develop and preserve a climate of trust amongst the

members of the Board of Directors, with a view to contributing to open and fair dialogue, and facilitating constructive criticism and responsible decision-making.

More specifically, the Chairman assumes the following tasks:

- A. The Chairman ensures that, within the integrated KBC bank-insurance group, the management structure of KBC Insurance NV is appropriate and, where necessary, makes proposals in this regard to the Board of Directors. In light of this, the Chairman, with the assistance of the Nomination Committee of KBC Group NV, takes the necessary initiatives regarding the appointment and removal of members of the Executive Committee.
- B. The Chairman ensures a balanced composition of the Board of Directors and is assisted in this task by the Nomination Committee of KBC Group NV, which he/she also chairs. To achieve this, the Chairman takes the necessary initiatives and directs activities with regard to:
  - (a) determining what competences and qualifications are required for the appointment of members of the Board of Directors;
  - (b) gathering information in advance on candidate directors;
  - (c) the appointment or re-appointment procedure for members of the Board of Directors and its committees;
  - (d) the self-appraisal procedure of the Board of Directors as a whole and its committees.
- C. The Chairman is responsible for ensuring the effective and efficient functioning of the Board of Directors by:
  - (a) drawing up the annual calendar of Board of Directors' meetings in consultation with the chairman of the Executive Committee, and taking account of the fixed, annually recurring agenda items.
  - (b) supervising the correct observance of the procedures regarding the preparation, deliberation and approval of resolutions, and the implementation of the resolutions passed. More specifically, the Chairman ensures that the directors receive accurate, timely and clear information prior to and, if necessary, between Board of Directors' meetings.
  - (c) presiding over deliberations by the Board of Directors, and ensuring sufficient time is allocated for them.
  - (d) ensuring that the Board of Directors appoints members and a chairman for each Board of Directors' committee (the members of the Audit Committee appoint the chairman of that committee).
  - (e) making provision for suitable initial training for new directors, bearing in mind the individual needs of each director.
  - (f) organising separate training sessions for the Board of Directors, based on specific requirements.
- D. The Chairman holds regular discussions with the chairman of the Executive Committee on subjects and projects that could be of strategic importance such as possible mergers, investments and divestments and other important operations.
- E. The Chairman chairs the General Meeting and, if required, answers shareholders' questions regarding the meeting's agenda.
- F. In consultation with the chairman of the Executive Committee, the Chairman personally represents KBC Insurance NV and promotes its interests at important meetings, events and forums.

The deputy chairman of the Board of Directors is also selected by the Board of Directors from among the Non-Executive Directors. The deputy chairman's primary task is to replace the Chairman in that person's absence or in case matters will be discussed where the Chairman has a conflict of interest. In that case, the deputy chairman temporarily assumes the



mentioned tasks. The deputy chairman is also consulted by the Chairman whenever the latter deems it necessary in order to execute his/her tasks effectively and efficiently.

#### **5.4. Secretariat**

The Board of Directors appoints a secretary who does not have to be a director.

The secretary assists the Board of Directors and its Chairman, as well as the individual members of the Board of Directors.

Under the supervision of the Chairman, the secretary is responsible for implementing the initial training and the professional development of directors, ensuring a proper flow of information, organising the Board of Directors' meetings and compiling the minutes. The minutes summarise the deliberations, detail the resolutions passed and report any reservations that the directors have.

Together with the Chairman, the secretary ensures that the Board of Directors and its committees comply with the law, the Articles of Association, their internal charters and procedures. The secretary keeps up-to-date on practices and developments in the financial and legal worlds and introduces them as necessary, commensurate with the needs that arise with respect to the governance of KBC Insurance NV. The secretary prepares the update of the Charter and procedures and the Corporate Governance Statement.

Under the supervision of the Chairman, the secretary is also responsible for the practical organisation of the General Meetings.

#### **5.5. Procedures**

On the basis of an agenda approved by the Board of Directors at the end of the previous financial year, the Board of Directors meets at least eight times each calendar year at the invitation of the Chairman, its deputy chairman or two of its directors. Additional meetings may be held whenever this is in the company's interest.

Between meetings, members of the Board of Directors are kept informed of any major events that might influence the course of business in KBC Insurance NV and the KBC group.

Meetings can be held via all technical means of communication, such as video, phone and internet-based means, provided that the security and confidentiality guidelines are respected.

No later than one and a half weeks before a Board of Directors' meeting, a director may ask the Chairman to add an item to the agenda.

Generally one week before the meeting, the meeting agenda, together with all documents explaining the various agenda items is sent under the supervision of the Chairman by post, courier, fax, e-mail or other electronic means to the members of the Board of Directors. Directors who wish to do so can request clarification from the Chairman before the meeting. Urgent additional agenda items and documents may be sent electronically to directors up to one day prior to the meeting taking place.

In cases of extreme urgency, the invitation and agenda may be communicated by phone.

A director who is unable to attend a meeting may – by means of a signed proxy sent by post or by other means of communication which contains the signed proxy in documentary form – authorise another member of the Board of Directors to represent him/her. A director may not represent more than one other director.

The Board of Directors' meeting is chaired by the Chairman and, in the Chairman's absence, by the deputy chairman or a director appointed by those directors present.

A Board of Directors' meeting is valid if at least half of the directors are present or represented by proxy. Directors who, in accordance with the Companies Code or this charter, may not participate in deliberations and the vote, are not taken into account when determining whether the required quorum has been reached.

At the Board of Directors' meeting, explanations regarding certain agenda items may be given by the chairman or other members of the Executive Committee or the Board of Directors' committees. If they should consider it necessary, they may be assisted by a member of management or by *internal or external* specialists, or both.

When passing resolutions, the Board of Directors strives for consensus. Where consensus cannot be reached, resolutions are passed by a simple majority of the votes cast. In the case of a tied vote, the chairman of the Board of Directors' meeting will have the casting vote.

In cases of extreme urgency and insofar as permitted by law, the resolutions of the Board of Directors may be passed by unanimous written agreement of the directors, without the need to hold a meeting. The directors will then each sign a single document, or several copies of that document, whose date will be the date on which the last signature is appended.

The Board of Directors should act in such a manner that a conflict of interests, or the appearance of such a conflict, is avoided. In the possible case of a conflict of interests, the Board of Directors should, under the lead of the Chairman, decide which procedure it will follow to protect the interests of the company and its shareholders.

The non-executive directors meet at least once a year in the absence of the Group CEO and the other members of the Executive Committee.

The minutes of Board of Directors' meetings are approved by the Board and submitted for signature to the directors.

To be valid, copies and extracts from the minutes must be signed by the Chairman, by two directors, by the secretary to the Board of Directors, by the secretary to the Executive Committee or by the Group Secretary.

## **5.6. Rules of conduct**

Members of the Board of Directors are expected to attend Board of Directors' meetings regularly and to stay for the duration of the meeting.

Exceptionally, a director may, with the consent of the Chairman, take part in all or part of the meeting by phone, video or internet-based means.

The directors should engage actively in their duties and should be able to make their own sound, objective and independent judgements when discharging their responsibilities.

The directors should spend sufficient time studying the information so as to acquire a clear understanding of the key issues relevant to the business of the company and of the KBC Insurance group. The directors should seek clarification whenever they deem it necessary.

When the Board of Directors takes a decision, the directors should disregard their personal interests. They should not use business opportunities intended for the company for their own benefit.

Each director should place the company's interests above their own.

Each director should, in particular, be attentive to conflicts of interests that may arise between the company, its directors and its shareholders.

Directors should not use the information obtained in their capacity as director for purposes other than for the exercise of their mandate. They must handle the confidential information received in their capacity as director with utmost care.

## **5.7. Evaluation**

At least every three years the Board of Directors, under the leadership of its Chairman and assisted by the Nomination Committee of KBC Group NV, assesses its performance and its interaction with the Executive Committee, as well its size, composition and functioning and that of its advisory committees.

Directors who are nominated for re-appointment are subject to an individual evaluation that focuses on their presence at the Board or committee meetings, their commitment and their constructive involvement in discussions and decision-making. This evaluation is performed by the Nomination Committee.

On the basis of the result of these assessments, the Board of Directors will, if necessary, take any measure deemed appropriate for the effective operation of the Board of Directors.

## **5.8. Transactions in financial instruments carried out by directors**

Directors of KBC Insurance NV can, whether regularly or occasionally, have access to information deemed by law to be inside information. The Board of Directors wishes to avoid situations in which directors might misuse any inside information, or consciously or otherwise deal in such a way as could be regarded as market abuse.

Therefore any dealing by directors on their own account needs to adhere to the Dealing Code which has been established in accordance with the Market Abuse Regulation, 596/2014, of 16 April 2014 ('Market Abuse Regulation').

The Dealing Code applies to all dealing concerning listed financial instruments issued by KBC Group, KBC Bank, another group company or KBC Ancora Comm. VA. that is done by directors on their own account.

The Dealing Code restates the regulatory prohibitions against insider dealing and market manipulation. It also set out the precautions to be taken in order to avoid unlawful disclosure of inside information. Furthermore it provides for the following preventive measures:

- 'Blocking periods': during each month immediately preceding the announcement of interim or annual results, dealings in financial instruments by directors on their own account are in principle prohibited. Dealings under discretionary asset management are exempted.
- 'Reporting duty': directors (and their persons closely associated) are under a duty to report their dealings in financial instruments to the FSMA, which in turn makes these dealings public.
- The Dealing Code contains specific prohibitions and requirements aimed at precluding speculative behaviour.

The compliance officer performs the necessary controls of compliance with the Dealing Code. The main tool for controls is insider lists. These lists can be requested by the FSMA for investigatory purposes.

## **6. ADVISORY COMMITTEES OF THE BOARD OF DIRECTORS**

### **6.1. INTRODUCTION**

The following advisory committees have been established in KBC Insurance NV: the Audit Committee and the Risk & Compliance Committee.

These committees comprise exclusively non-executive members of the Boards of Directors of KBC Insurance NV, and at least one of their members must be independent within the meaning of Article 526ter of the Companies Code.

The Board of Directors may set up other committees, whose remit, composition and functioning it will determine.

Only the Board of Directors has the authority to pass resolutions. Unless specific decision authority has been granted, the committees have an advisory role.

All committees have the power to employ, in reasonable measure, the means necessary to ensure they function effectively and efficiently. They may, for instance, seek the advice of external specialists, at the company's expense, after having presented their intended course of action to the Chairman. They are accountable to the Board of Directors for the proper performance of their duties.

The Nomination Committee and the Remuneration Committee of KBC Group NV function as such for KBC Insurance NV.

### **6.2. CHARTER OF THE AUDIT COMMITTEE**

#### **6.2.1. Introduction**

This Charter defines the role, the responsibilities and the functioning of the Audit Committee of KBC Insurance NV.

The charter is compliant with the applicable legal and regulatory requirements as well as with best corporate governance practices.

#### **6.2.2. Purpose and Authority**

##### *6.2.2.1. Purpose*

The Audit Committee is a committee of the Board of Directors. The Audit Committee advises the Board of Directors on the integrity of the financial reporting and the effectiveness of the internal control and risk management processes. It assists the Board of Directors by ensuring that necessary remedial actions are taken.

The Audit Committee steers the internal audit function and oversees the external audit function.

##### *6.2.2.2. Authority*

The Audit Committee has no other powers and responsibilities than those delegated by the Board. Only the Board has the authority to decide and keeps full responsibility. The Audit Committee has an advisory role unless specific decision authority has been delegated by the Board or given by local legislation.

The Audit Committee has unrestricted access to all information. It is entitled to meet with all members of management and members of staff as well as with external parties without any executive manager present. In the case that an individual Audit Committee member wants to meet separately with the people mentioned above, he/she is allowed to do so after prior consultation with the chairman of the Audit Committee.

The Audit Committee can initiate special investigations in all areas for which it is responsible. The chairman of the Executive Committee must be apprised of such investigations, which may be performed by either internal or external parties. KBC Insurance NV will provide the necessary resources for these investigations.

The Audit Committee is responsible for oversight of the financial reporting and the internal control and risk management processes of all entities within the KBC Insurance group. In order to give effect to this oversight role, and without impacting the responsibilities of the supervisory bodies and committees of the various subsidiaries within the group, the Audit Committee has authority to define governance rules for the organisation and functioning of the various audit committees within the KBC group entities. This entails – but is not limited to – drawing up rules for communication between those audit committees and the Audit Committee. In this regard, the chairman of the Audit Committee is always invited to attend the meetings of local audit committees.

### **6.2.3. Organisation**

#### *6.2.3.1. Composition*

The Audit Committee is composed of three non-executive directors, of whom two are independent as defined by Article 526<sup>ter</sup> of the Companies Code.

The members of the Audit Committee are appointed by the Board of Directors.

The chairman of the Audit Committee is appointed by the members of the Audit Committee and cannot simultaneously hold the office of chairman of the Board of Directors.

The members of the Audit Committee shall collectively have the skills and experience to understand and monitor KBC's lines of business, as well as competence in accounting, risk management and audit. At least one member must have relevant expertise in the areas of accounting and/or audit.

The members of the Audit Committee are entitled to all training necessary for them to perform their responsibilities. KBC Insurance NV will provide the necessary resources for this purpose.

#### *6.2.3.2 Meetings*

The Audit Committee meets at least four times a year.

The Audit Committee's meeting schedule (frequency and dates) as well as the principal items on the agenda are established on a yearly basis and approved by the Audit Committee. Additional meetings can be held at the request of any member or participant of the Audit Committee, subject to prior consultation with and the approval of the chairman. Each member or participant is entitled to put additional items on the agenda.

The following persons, or their representatives, participate as permanent guests at all meetings:

- The Chief Executive Officer (CEO) of KBC Insurance NV;
- The Chief Risk Officer (CRO) of KBC Insurance NV;
- The Chief Financial Officer (CFO) of KBC Insurance NV;
- The KBC Insurance Internal Auditor;
- The KBC Insurance Compliance Officer.

Additionally, any person who can provide the Audit Committee with relevant information can be invited to attend the meeting. Their participation is limited to the relevant agenda topics. In particular, the following persons will regularly be invited to give explanations and presentations on specific topics:

- The senior general manager of Group Finance;
- The senior general manager of Group Risk;
- The KBC Group Legal Officer;
- The KBC Group Tax Officer.

The external auditors are invited to each meeting but they will attend at least two meetings a year.

Both the external and the internal auditors have at all times direct and unrestricted access to the chairmen of the Audit Committee and of the Board of Directors as well as to all members of the Audit Committee. Furthermore, the Audit Committee may hold private meetings with those persons invited to attend its meetings. At least once a year, the Audit Committee will hold (at least part of) a meeting without the presence of the Executive Committee members of KBC Insurance NV.

Members of the Audit Committee should attend all meetings. Valid meetings require the presence of at least half of the members.

Meetings can be held via all technical means of communication, such as video, phone and internet-based means, provided that the security and confidentiality guidelines are respected.

The meetings are chaired by the chairman. If the chairman is not present, the Audit Committee meeting will be chaired by the member with the most seniority as an Audit Committee member.

The Audit Committee has a permanent secretary appointed by the chairman.

The meeting agenda and supporting papers are distributed sufficiently in advance for the members to prepare for the meeting. Meeting minutes must be in writing and distributed in a timely fashion to the Audit Committee members and the other participants (each for matters pertaining to them).

The chairman of the Audit Committee and the chairman of the Risk & Compliance Committee should interact with each other as appropriate in order to ensure consistency and avoid any gaps.

#### **6.2.4. Responsibilities**

The Audit Committee has the following responsibilities:

##### *6.2.4.1. Internal Control*

The Audit Committee ensures that the Executive Committee establishes and maintains an adequate and effective internal control system and adequate and

effective internal control processes. The system and processes should be designed to provide assurance in areas including reporting (financial, operational, risk), monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

To this end, the Audit Committee *inter alia*:

- annually reviews the quality of internal control based on the statement provided by the executive management and supplemented by the opinion of internal audit;
- is regularly informed of the reports issued by internal and external auditors, so that it is aware of the main risks reported and the actions taken by management to mitigate those risks;
- reviews the statements on internal control and risk management included in the Annual Report.

#### 6.2.4.2 Financial Reporting

The Audit Committee monitors the financial reporting process and submits recommendations or proposals to ensure its integrity.

The Audit Committee informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process.

To this end, the Audit Committee *inter alia*:

- discusses the Annual Report and the quarterly financial statements prior to approval by the Board.
- discusses the review of the financial statements by the external auditors and management's response.
- discusses the findings and recommendations by the External and Internal Audit functions and management's response.
- reviews significant accounting and reporting issues, including the valuation and the consolidation rules applied.
- reviews significant financial reporting judgments contained in the financial statements.
- reviews any public announcement on the financial statements prior to their release. In this respect the Audit Committee is authorised by the Board of Directors to approve the press releases.
- is informed of all significant and unusual transactions and how they are accounted for.

#### 6.2.4.3 Internal Audit function

The Audit Committee monitors and reviews the effectiveness of the Internal Audit function within KBC Insurance NV, overseeing its independence, professionalism and expertise.

To this end, the Audit Committee *inter alia*:

- monitors compliance with the principles of the Internal Audit Charter, as approved by the Board of Directors;
- approves the activities and the structure of the Internal Audit function, including the audit plan, resources, scope and budget;
- approves the appointment, the replacement and the dismissal of the KBC Insurance Internal Auditor and the members of the Corporate Audit Management Team on a proposal of the Executive Committee;
- assesses the performance of the KBC Insurance Internal Auditor;

- reviews the adequacy of the remuneration of the Internal Audit function, including performance awards;
- approves the annual internal audit plan and is informed at least twice a year of the progress made in order to ascertain that audit coverage is adequate;
- reviews and discusses the audit reports and the way management deals with the internal audit recommendations resulting from these reports;
- reviews instances of fraud that are discovered and breaches of laws and regulations raised by the Internal Audit function;
- ensures that the Internal Audit function maintains open communication with senior management, external auditors, the supervisory authority, and the Audit Committee;
- ensures that deficiencies identified by supervisory authorities related to the Internal Audit function are remedied within an appropriate time frame and that progress on necessary corrective actions is reported to the Board of Directors.

#### 6.2.4.4 Statutory auditor – External audit function

The Audit Committee monitors the statutory audit of the annual and consolidated financial statements. It reviews and monitors the independence of the statutory auditor, and in particular the appropriateness of the provision of non-audit services. It recommends the statutory auditor to be appointed, where applicable following a selection procedure organized in accordance with applicable legislation.

To this end, the Audit Committee *inter alia*:

- advises the Board on the (re-)appointment and the dismissal of the external auditor including remuneration and terms of engagement;
- investigates the reasons for the external auditor's resignation and recommends any necessary action.
- discusses the review reports presented by the external auditor and the way management deals with the external audit recommendations resulting from these reports.
- reviews the external auditor's programme of work and evaluates its effectiveness.
- monitors the independence of the external auditor, and in particular approves the nature and extent of the non-audit services provided by the external auditor in accordance with KBC's policy on engagement of the external auditor in non-audit services. The Audit Committee advises the Board of Directors on the development of such policy.

The statutory auditor:

- informs the Audit Committee yearly of additional services provided to KBC Insurance NV or any of its related entities;
- discusses with the Audit Committee identified threats to the auditor's independence including the related safeguards that have been applied to eliminate or reduce them to an acceptable level, based on the information provided, in particular when the total fees received from KBC Insurance NV in each of the last three consecutive financial years represent more than 15% of the total fees received in each of those financial years;
- annually presents its declaration of independence to the Audit Committee.
- annually submits the legally required additional report, in compliance with article 11 of the EU Regulation N° 537/20104, to the Audit Committee and to the Board of Directors.



### **6.2.5. Reporting**

After each Audit Committee meeting, the chairman will report to the Board of Directors on its activities, its findings and recommendations for improvement. The minutes of Audit Committee meetings are distributed to the members of the Board.

To facilitate its supervisory responsibility, the minutes of audit committee meetings of the direct subsidiaries of KBC Insurance NV will be distributed to the members of the Audit Committee and discussed at its next meeting.

### **6.2.6. Review and performance evaluation**

At least every three years, the Audit Committee reviews its Charter and evaluates its effectiveness. The Board of Directors is informed of the results and of any proposal for improvement resulting from the review and evaluation exercises. The annual report of the Board of Directors reviews the individual and collective expertise of the members of the Audit Committee.

### **6.2.7 Conflicts of interest**

Every member will inform the Audit Committee of:

- any personal interest of a financial nature in one or more matters dealt with by the committee;
- any conflict of interest that might arise as a consequence of holding one or more other offices.

The member concerned will not take part in the deliberations and the vote on the matters in question.

### ***Statutory auditor***

An external audit is carried out of the financial situation and accounts of KBC Insurance NV and its subsidiaries. Only a limited audit is carried out on the consolidated six-monthly and quarterly accounts. The external audit is carried out by a statutory auditor who appears in the list of auditors and audit companies recognised by the NBB.

The statutory auditor is appointed for a renewable term of three years. The appointment, remuneration, re-appointment or removal of the statutory auditor is carried out in accordance with specific legal provisions.

In addition to its normal external audit responsibilities, the statutory auditor also fulfils a complementary role for the purposes of the NBB's prudential supervision of KBC Insurance NV.

Being officially recognised by the NBB, the statutory auditor is subject to its supervision and submits reports to it at regular intervals.

Within the company, the statutory auditor reports to the Audit Committee and the Risk & Compliance Committee, and, in principle, attends at least two of their meetings. In principle, the statutory auditor also attends the Board of Directors' meeting at which the annual accounts are discussed and approved, as well as the Annual General Meeting. Lastly, it has direct and unrestricted access to the chairmen of the Audit Committee, the Risk & Compliance Committee and the Board of Directors.

The Audit Committee monitors the independence, expertise and quality of the services provided by the statutory auditor. This is assessed annually.

The statutory auditor's independence is guaranteed by specific legal provisions implemented within the KBC group. Key points are the requirement for mandatory audit firm rotation, a list of prohibited non-audit services and a 70% cap on fees for non-prohibited non-audit services.

## **6.3. CHARTER OF THE RISK & COMPLIANCE COMMITTEE**

### **6.3.1. Introduction**

This Charter defines the role, the responsibilities and the functioning of the Risk & Compliance Committee of KBC Insurance NV (hereinafter 'RCC').

### **6.3.2. Purpose and authority**

#### *6.3.2.1 Purpose*

The RCC is a committee of the Board of Directors. The RCC advises the Board of Directors on the overall current and future risk appetite and risk strategy, as well as on the current and future compliance risk appetite and strategy. It assists the Board of Directors in monitoring and overseeing the implementation of these elements and rules by senior management. The RCC monitors whether the prices of the liabilities and assets and the categories of off-balance sheet products offered to clients take full account of KBC's business model and risk strategy and, in particular, the possible reputation risks linked to these products.

The RCC oversees the risk management, actuarial and compliance functions.

#### *6.3.2.2 Authority*

The RCC has no other powers or responsibilities than those delegated by the Board of Directors. In principle, only the Board of Directors has authority to decide and the RCC has an advisory role, unless specific decision authority has been delegated by the Board or given by local legislation. The Board of Directors shall retain full responsibility for risks.

The RCC determines the nature, format, content and frequency of the reported information. The RCC has unrestricted access to all information. It is entitled to meet with all members of management and members of staff, as well as with external parties without any executive manager present. In the case that an individual RCC member wants to meet separately with the people mentioned above, he/she is allowed to do so after prior consultation with the chairman of the RCC.

The RCC can initiate special investigations in all areas for which it is responsible. The chairman of the Executive Committee must be apprised of such investigations, which may be performed by either internal or external entities. KBC Insurance NV will provide the necessary resources for these investigations.

The RCC is responsible for the oversight in terms of risk and compliance of all entities within the KBC Insurance group. In order to give effect to this oversight role, and without impacting the responsibilities of the board of directors of the different subsidiaries within the group, the RCC has the authority to define governance rules for the organisation and functioning of the different risk & compliance committees within the KBC Insurance group entities. This entails – but is not limited to – drawing up rules for communication between those risk & compliance committees and the RCC. In this regard, the chairman of the RCC is always invited to attend the meetings of local risk & compliance committees.

### **6.3.3. Organisation**

#### *6.3.3.1 Composition*

The RCC is composed of at least three Non-Executive Directors, of whom at least one must be independent as stipulated in Article 526*ter* of the Companies Code.

The members of the RCC are appointed by the Board of Directors.

The chairman of the RCC is appointed by the Board of Directors and cannot simultaneously hold the office of chairman of the Board of Directors.

The members of the RCC shall collectively have the skills and experience to understand and monitor KBC's lines of business and in the areas of risk management and compliance. The members of the RCC shall individually have the necessary knowledge, expertise and skills to understand and monitor the (risk) strategy and risk appetite of KBC Insurance NV.

The members of the RCC are entitled to all training necessary to perform their responsibilities. KBC Insurance NV will provide the necessary resources for this purpose.

#### 6.3.3.2 Meetings

The RCC meets at least four times a year. The RCC meeting schedule (frequency and dates) and the principal items on the agenda are established on a yearly basis and approved by the RCC. Additional meetings can be held at the request of any member or participant of the RCC, subject to prior consultation with and the approval of the chairman. Each member or participant is entitled to put additional items on the agenda.

The following persons, or their representatives, participate as permanent guests at all meetings:

- The Chief Executive Officer (CEO) of KBC Insurance NV;
- The Chief Risk Officer (CRO) of KBC Insurance NV;
- The Chief Financial Officer (CFO) of KBC Insurance NV;
- The KBC Insurance Internal Auditor;
- The KBC Insurance Compliance Officer.

Additionally, any person who can provide the RCC with relevant information can be invited to attend the meeting. Their participation is limited to the relevant agenda topics. In particular, the following persons will regularly be invited to give explanations and presentations on specific topics:

- The senior general manager of the Group Credit Risk directorate (GCRD);
- The senior general manager of the Group Risk directorate (GRIS);
- The CRO of International Product Factories (IPF) – Markets;
- The KBC Group Legal Officer;
- The KBC Group Tax Officer.

The external auditors are invited to each meeting but they will attend at least two meetings a year.

The RCC may hold private meetings with the persons invited to attend its meetings.

At least once a year the RCC will hold (at least part of) a meeting without the presence of the Executive Committee members of KBC Insurance NV.

Members of the RCC should attend all meetings. Valid meetings require the presence of at least half of the members.

Meetings can be held via all technical means of communication, such as video, phone and internet-based means, provided that the security and confidentiality guidelines are respected.

The meetings are chaired by the chairman. If the chairman is not present, the RCC meeting will be chaired by the member with the most seniority as an RCC member.

The RCC has a permanent secretary appointed by the chairman.

The meeting agenda and supporting papers are distributed sufficiently in advance for the members to prepare for the meeting. Meeting minutes must be in writing and distributed in a timely fashion to the RCC members and the other participants (each for matters pertaining to them).

The chairman of the RCC and the chairman of the Audit Committee should interact with each other as appropriate in order to ensure consistency and avoid any gaps.

#### **6.3.4. Responsibilities**

##### *6.3.4.1 Risk appetite, risk strategy and risk profile*

The RCC advises on the institution's overall current and future risk appetite, risk strategy and risk profile.

The RCC monitors implementation of the risk appetite and risk strategy by senior management and monitors the evolution of the risk profile.

The RCC monitors the effectiveness of the structures, the processes and the controls set up to identify, to measure, to monitor and to manage the risks that KBC is exposed to. In particular, the RCC reviews the monitoring of all major risk types and advises the Board of Directors on the structure and the level of the limits.

##### *6.3.4.2 Prices of liabilities and assets and categories of off-balance sheet products offered to clients*

The RCC reviews whether prices of liabilities and assets and categories of off-balance sheet products offered to clients take full account of the institution's business model and risk strategy.

Where prices do not properly reflect risks in accordance with the business model and risk strategy, the RCC shall present a remedy plan to the Board of Directors.

##### *6.3.4.3 Risk management function*

The RCC supervises the organisation of the risk management function within KBC, overseeing its independence, professionalism and expertise.

The RCC reviews the activities and the structure – including the resources – of the risk management function with a view to ensuring that KBC possesses an adequate risk management function and, to this end monitors whether the Executive Committee has taken the necessary measures to ensure that the institution has a permanent, appropriate, independent risk management function.

The RCC confirms the action plan drawn up by the risk management function.

The RCC is informed of achievement of the objectives, the human and material resources, the tasks and the reports.

The RCC advises on the appointment, the replacement and the dismissal of the KBC Insurance Chief Risk Officer.

#### *6.3.4.4 Actuarial function*

The RCC supervises the organisation of the actuarial function within KBC, overseeing its independence, professionalism and expertise.

The RCC reviews the activities and the structure – including the resources – of the actuarial function with a view to ensuring that KBC possesses an adequate actuarial function and, to this end monitors whether the Executive Committee has taken the necessary measures to ensure that the institution has a permanent, appropriate, independent actuarial function.

The RCC is informed of achievement of the objectives, the human and material resources, the tasks and the reports.

The RCC advises on the appointment, the replacement and the dismissal of the KBC actuarial function holder.

#### *6.3.4.5 Compliance with laws and regulations*

The RCC supervises compliance with procedures, statutory provisions, laws and regulations, as well as with the provisions of the KBC Insurance Code of Conduct.

The RCC discusses the findings and recommendations of the supervisory authorities and management's responses to those findings and recommendations.

The RCC is kept informed on a regular basis of ongoing litigation and tax issues.

#### *6.3.4.6 Compliance risks*

The RCC monitors compliance with the principles of the Compliance Charter approved by the Board and application by management of the Integrity Policy.

The RCC assesses compliance risks and discusses them (on the basis of reports from management, the head of compliance, the supervisory authorities and discussions), in particular to establish whether they are properly identified, recognised, managed and mitigated.

To do so, the RCC:

- is informed of material changes in the statutory/regulatory context with an indication of how these changes could influence the Integrity Policy and the organisation/functioning of the compliance function;
- receives an overview of the most significant findings, related recommendations and the way management responds to them.

The RCC reviews KBC's policy on whistle-blowers and is kept informed of its implementation and adherence. The RCC is also informed of all significant issues that are reported under this policy.

Approval of the Integrity Policy (and its annual assessment), the Compliance Charter, the Code of Conduct and the measures to manage conflicts of interest as well as the revision thereof are exclusively the competence of the Board of Directors.

#### *6.3.4.7 Compliance function*

The RCC supervises the organisation of the compliance function within KBC, overseeing its independence, professionalism and expertise.

The RCC reviews the activities and the structure – including the resources – of the compliance function with a view to ensuring that KBC possesses an adequate compliance function and, to this end monitors whether the Executive Committee has taken the necessary measures to ensure that the institution has a permanent appropriate independent compliance function.

The RCC confirms the action plan drawn up by the compliance function.

The RCC is informed of the achievement of the objectives, the human and material resources, the tasks and the reports.

The RCC advises on the appointment, the replacement and the dismissal of the Compliance Officer.

#### *6.3.4.8 Remuneration policy and practice*

To assist in the establishment of remuneration policies and practices that promote sound and effective risk management and facilitate a proper risk culture within the institution, the RCC examines, without prejudice to the tasks of the remuneration committee, whether incentives provided by the remuneration system take into consideration risk, capital, liquidity and the likelihood and timing of earnings. In this context, the RCC ensures that the risk tolerance and strategy framework is integrated into the KBC Remuneration Policy.

The RCC is involved, without prejudice to the tasks of the remuneration committee, in the identification process of the members of staff whose professional activities have a material impact on the institution's risk profile ("KIS").

To ensure a effective and efficient cooperation between the remuneration committee and the RCC, the chairman of the RCC participates in the meetings of the remuneration committee.

### **6.3.5. Reporting**

After each RCC meeting, the chairman will report to the Board of Directors on its activities, its findings and its recommendations. The minutes of RCC meetings are distributed to the members of the Board.

To facilitate its supervisory responsibility, the minutes of the meetings of the risk & compliance committees of the direct subsidiaries of KBC Insurance NV will be distributed to the members of the RCC of KBC Insurance and will be discussed at its next meeting.

### 6.3.6. Review and performance evaluation

At least every three years, the RCC reviews its Charter and evaluates its effectiveness. The Board of Directors is informed of the results and of any proposal for improvement resulting from the review and evaluation exercises. The Annual Report of the Board of Directors reviews the individual and collective expertise of the members of the RCC.

### 6.3.7. Conflicts of interest

Every member will inform the RCC of:

- any personal interest of a financial nature in one or more matters dealt with by the committee;
- any conflict of interest that might arise as a consequence of holding one or more other offices.

The member concerned will not take part in the deliberations and the vote on the matters in question.

## 6.4. NOMINATION AND REMUNERATION COMMITTEES OF KBC GROUP NV

The Nomination Committee and Remuneration Committee of KBC Group NV play an important overarching role within the integrated KBC bank-insurance group.

The Nomination Committee of KBC Group NV advises the board of directors of KBC Group NV on the nomination policy to be followed both in the company itself and in its main direct subsidiaries, more specifically KBC Insurance NV and KBC Bank NV, and monitors that this is actually done. The Nomination Committee of KBC Group NV thus plays an important role in the integration of the KBC group. Given the overarching role of the Nomination Committee, no separate Nomination Committee has been established at board level in either KBC Insurance NV or KBC Bank NV, but instead the Nomination Committee of KBC Group NV acts on their behalf.

With the assent of the supervisory authority, the Remuneration Committee of KBC Group NV is empowered to act on behalf of the entire KBC group, since it advises the board of directors of KBC Group NV on the remuneration policy being followed in KBC Group NV and in all companies of the KBC group. The Remuneration Committee thus plays an important role in the further integration of the KBC group.

Reference is, therefore, made to the *charters of the Nomination and Remuneration Committees of KBC Group NV*. Both charters are included in the KBC Group NV Corporate Governance Charter, which can be viewed on the KBC group website, [www.kbc.com](http://www.kbc.com).

## 7. CHARTER OF THE EXECUTIVE COMMITTEE

### 7.1. Powers

#### 7.1.1. Role

Pursuant to Article 524*bis* of the Companies Code and Article 45, §1 of the Act of 13 March 2016 on the supervision of insurance and reinsurance companies, the Board of Directors has delegated its management powers to the Executive Committee. The Executive Committee is competent to act autonomously in these matters, yet always within the scope of the strategy defined by the Board of Directors. This delegation of power does not, therefore, relate to general policy or matters which are reserved by law for the Board of Directors. Moreover, the Board of Directors is responsible for supervising the Executive Committee.

### **7.1.2. Remit**

The main tasks of the Executive Committee are:

- a. to conduct the operational management of KBC Insurance NV by:
  - developing, implementing and pursuing the strategy set by the Board of Directors within the general strategy of the KBC group, taking into account the values of the group, its appetite for risk and main policies;
  - conducting day-to-day management;
  - supervising line management and compliance with the delegated powers and responsibilities, and reporting;
- b. to report to the Board of Directors on the implementation of the main policies in general and to provide a balanced and comprehensible assessment of the financial situation of KBC Insurance NV in particular, and to provide the Board of Directors with the information it needs to carry out its responsibilities;
- c. to research, formulate and draft policy proposals and strategic or structural projects to be submitted to the Board of Directors;
- d. to draw up comprehensive, timely, reliable and accurate financial reports for KBC Insurance NV, in accordance with prevailing accounting standards and company policy, and to bear responsibility for that;
- e. to prepare the compulsory release of the financial statements and other material information;
- f. to establish, manage and follow up internal control measures to make it possible to identify, evaluate, manage and control financial and other risks;
- g. to carry out other tasks entrusted to it in specific cases by the Board of Directors;
- h. to report as required on a periodic basis to the NBB, the statutory auditor and the Board of Directors, on the financial position and state of the management structure, the organisation, the internal control system and the independent control functions.

The Executive Committee reports to the Board of Directors on the exercise of its responsibilities.

With regard to the powers of the Executive Committee, KBC Insurance NV will be represented by two members of the Executive Committee, or by one member of the Executive Committee acting together with a senior general manager, or by one member of the Executive Committee acting together with the secretary to the Board of Directors or with the Group Secretary, or by persons especially empowered for that purpose.

The Executive Committee is entitled to seek external professional advice, at the company's expense, on matters that fall within its competence.

### **7.1.3. Value and risk management**



The Executive Committee is responsible for implementing the value and risk management strategy, outlining the structure and making the necessary resources available to effectively fulfil its risk-management responsibilities.

At KBC group level, there is strong and centralised risk management under the leadership of the Group CRO who is also CRO of KBC Insurance NV. In his/her capacity as Executive Director, the Group CRO reports at every meeting of the Board of Directors on the integrated risk profile and risk management of the KBC group, focusing in particular on the position of KBC Insurance NV, and seeks approval for the overall risk appetite.

Furthermore, the CRO is authorised to put items that fall within the scope of his/her responsibilities on the meeting agendas of the relevant decision-making bodies. In addition, the CRO is authorised to demand the implementation in KBC Insurance NV, of decisions taken within the CRO's area of responsibility at KBC Group NV level. Lastly, the CRO is a guest participant at every meeting of the Audit Committee and the Risk & Compliance Committee.

#### **7.1.4. Financial policy**

The Group CFO, who is responsible for the financial policy of the KBC group, is also CFO of KBC Insurance NV. The CFO's responsibilities are wide and besides financial planning and forecasts, include capital management, budget preparation and management, analysis of financial data, and internal and external financial reporting. In the contacts KBC Insurance NV has with the supervisory authorities, the CFO is responsible for providing complete financial transparency. Lastly, he/she is a guest participant at every meeting of the Audit Committee and the Risk & Compliance Committee.

## **7.2. Composition**

### **7.2.1. Scope**

The number of members on the Executive Committee is determined by the Board of Directors. In practice, the Executive Committee comprises between five and ten members, who together form a collegiate body.

### **7.2.2. Competence requirements - Diversity**

In addition to the conditions of appointment for directors [see '5.2.4 of the Charter of the Board of Directors'], candidates put forward for membership of the Executive Committee must have the necessary financial expertise, professional integrity, management talent and broad experience to take on the effective leadership of the company. Furthermore, they must have the competences specific to the relevant profile and the necessary independence of mind.

The composition of the Executive Committee will reflect sufficient diversity of skills, background and age. At least one member of the Executive Committee should be of a different gender than the other members.

### **7.2.3. Appointments**

The chairman and other members of the Executive Committee are nominated, appointed and removed by the Board of Directors, after receiving advice from the Nomination Committee of KBC Group NV [see 6.4.1 of the Charter of the Nomination Committee of KBC Group NV]. Through their appointment, members of the Executive Committee acquire the capacity of Executive Director.

The appointment and removal of the chairman and other members of the Executive Committee is subject, where required by statute, to the prior approval of the NBB.

#### **7.2.4. Training**

Newly appointed members of the Executive Committee will receive appropriate training, based on their individual needs. Moreover, the provisions of the Charter of the Board of Directors [see '5.2.6 of the Charter of the Board of Directors'], also apply to the new Executive Directors.

In addition, the members of the Executive Committee are expected to keep their competences and knowledge concerning the company and the markets in which it operates up to date on an ongoing and in-depth basis. This can be done e.g. by means of independent study, specific internal sessions and specialised external workshops and conferences.

#### **7.2.5. Term of office**

Members of the Executive Committee are appointed as directors by the General Meeting for a renewable term of up to four years.

The term of office of a member of the Executive Committee ends:

- upon the relevant age limit being attained (see point 7.2.6. below);
- upon the member resigning;
- upon revocation of their office at any time by the Board of Directors, after consultation with the Executive Committee, after obtaining the advice of the Nomination Committee of KBC Group NV and after notifying the NBB;
- upon the General Meeting deciding to revoke or not to renew the director's term of office and after notifying the NBB .

#### **7.2.6. Age limit**

Save in exceptional circumstances, the term of office of a member of the Executive Committee will expire at the Annual General Meeting following the date on which the member turns the Belgian statutory retirement age, i.e. currently 65.

#### **7.2.7. Remuneration**

The members of the Executive Committee also form the executive committees of KBC Group NV and KBC Bank NV. In this capacity, they receive a total remuneration package that covers the performance of these offices.

The board of directors of KBC Group NV determines the remuneration of the members of the Executive Committee on the basis of the advice of its Remuneration Committee and after obtaining the advice of the chairman of the Executive Committee. To this end, regular comparisons are made with remuneration levels prevailing in the market.

The remuneration of individual Executive Committee members is made up of the following components:

- a fixed monthly emolument;
- an annual, performance-related variable emolument.

No advance payments will be made in relation to the variable emolument. In accordance with the prevailing provisions in this regard, half of the variable emolument will be awarded in the form of equity-related instruments that are to be retained for a period of one year. If the variable remuneration amounts to  $\geq 200^{\circ}000$  euros, 40% of that emolument (both cash and equity-related instruments) in respect of a particular financial year will be paid out during the following financial year and, in principle, the awarding and payment of the remainder spread equally over the next five financial years.

In very specific and exceptional circumstances, it may be decided not to pay out the deferred portion of the variable emolument and in exceptional circumstances it may even be decided to claw back this emolument.

Any remuneration paid exceptionally for offices held at the behest of KBC Insurance NV in a company of the KBC group or in external companies will be offset against the above-mentioned remuneration components.

The total amount of the remuneration calculated in this way for the chairman of the Executive Committee– who is also the chairman of the executive committee of KBC Group NV and KBC Bank NV – may not exceed the remuneration paid to individual members of the Executive Committee by more than 25%.

Members also benefit from a retirement and survivor's pension scheme which comprises a supplementary retirement pension or – if the insured person dies and leaves a spouse – a survivor's pension and, as the case may be, an orphan's pension. It also provides cover in the event of disability.

### **7.3. Chairmanship**

The chairman of the Executive Committee is appointed by the Board of Directors on the proposal of the Executive Committee, after having received the advice of the Nomination Committee of KBC Group NV, and subject to the prior approval of the NBB.

The office of chairman of the Executive Committee cannot be held simultaneously with the office of Chairman of the Board of Directors.

The chairman heads the Executive Committee and is responsible for ensuring it functions effectively and efficiently in compliance with the Charter of the Executive Committee. This entails:

- organising, chairing and leading the meetings of the Executive Committee;
- guiding and supporting the members of the Executive Committee in the performance of their individual responsibilities;
- determining the objectives of the Executive Committee and assessing its performance in conjunction with the other Executive Committee members.

Where the Board of Directors is concerned, the chairman of the Executive Committee is responsible for:

- maintaining a continual dialogue with the Chairman in a climate of mutual trust and openness;
- accounting to the Board of Directors for the functioning of the Executive Committee.

The chairman of the Executive Committee, together with the other members of the Executive Committee, is the flag-bearer of the KBC group values.

To the outside world, the chairman of the Executive Committee is the main spokesman for KBC Insurance NV.

### **7.4. Secretariat**

The Executive Committee will appoint a secretary, who does not have to be a member of that committee. The secretary will assist the Executive Committee and its chairman, as well as the individual members of the Executive Committee. The secretary to the Board of Directors acts as deputy secretary.

Under the supervision of the chairman of the Executive Committee, the secretary will be responsible for organising the Executive Committee meetings and compiling the minutes.

### **7.5. Procedures**

#### ***7.5.1. Division of responsibilities***

The Executive Committee divides its duties up among its members, without detracting from their collective responsibility.

#### **7.5.2. Meetings**

The Executive Committee meets regularly at the invitation of its chairman. Additional meetings may be held – also at the request of an Executive Committee member – whenever it is in the company's interest to do so.

Meetings can be held via all technical means of communication, such as video, phone and internet-based means, provided that the security and confidentiality guidelines are respected.

At least four days before each meeting, save in cases of extreme urgency, the meeting agenda, together with all documents explaining the various agenda items will, under the supervision of the chairman of the Executive Committee, be handed over or sent by post, courier, fax, e-mail or other electronic means to the members of the Executive Committee. In cases of extreme urgency, the invitation and agenda may, exceptionally, be communicated by phone.

Executive Committee meetings will be chaired by the chairman and, in his/her absence or in case matters will be discussed where the chairman has a conflict of interest, by another member appointed by the committee.

An Executive Committee meeting will be valid if at least half of the members are present or represented. Executive Committee members who, pursuant to the Companies Code and this Charter, may not participate in the deliberations and the vote, are not counted when determining whether the relevant quorum has been reached.

At the meeting, explanations regarding certain agenda items may be given by members of management or by internal or external specialists.

When passing resolutions, the Executive Committee aims for consensus. If no consensus can be reached, the resolutions will be passed by a simple majority of the votes cast. In the case of a tied vote, the chairman of the meeting will have the casting vote.

The Chairman may attend all Executive Committee meetings with advisory voting capacity.

The Executive Committee should act in such a manner that a conflict of interests, or the appearance of such a conflict, is avoided. In the possible case of a conflict of interests, the Executive Committee should, under the lead of the chairman, decide which procedure it will follow to protect the interests of the company and its shareholders.

#### **7.5.3. Reporting to the Board of Directors**

The chairman of the Executive Committee reports to the Board of Directors on the activities and resolutions of the Executive Committee, and submits to the Board of Directors those of its proposals that require a decision from the Board of Directors.

#### **7.5.4. Delegation**

The Executive Committee may, within the limits of its authority, delegate special powers to agents of its choice. In this way, the Executive Committee delegates some of its powers to committees such as the group risk committees, the Asset/Liability Management Committee (ALCO), the Management Committees of the Business Units, the management committees covering two or more companies or directorates

and that are important for steering a Business Unit or the KBC group. Other committees are set up at the level of KBC Insurance NV or to manage the Business Units and ensure they function properly.

#### **7.6. Rules of Conduct**

The members of the Executive Committee should engage actively in their duties and should be able to make their own sound, objective and independent judgements when discharging their responsibilities.

When the Executive Committee takes a decision, the members of the Executive Committee should disregard their personal interests. They should not use business opportunities intended for the company for their own benefit.

Each member of the Executive Committee should place the company's interests above their own.

Each member of the Executive Committee should, in particular, be attentive to conflicts of interests that may arise between the company, its directors, its members of the Executive Committee and its shareholders.

The members of the Executive Committee should not use the information obtained in their capacity as a member of the Executive Committee for purposes other than for the exercise of their mandate. They must handle the confidential information received in their capacity as member of the Executive Committee with utmost care.

#### **7.7. Evaluation**

On the initiative of its chairman, the full Executive Committee will discuss the Executive Committee's objectives and assess its performance once a year.

Each year, the chairman of the Executive Committee will evaluate each member of the Executive Committee. The individual evaluation of the chairman of the Executive Committee must be performed by the Chairman.

The Remuneration Committee meets annually with the chairman of the Executive Committee to discuss the functioning and performance of the Executive Committee [*see '6.5.1.2 (e) of the Charter of the Remuneration Committee'*].

#### **7.8. Transactions in financial instruments carried out by members of the Executive Committee**

Members of the Executive Committee can, whether regularly or occasionally, have access to information deemed by law to be inside information. The Board of Directors wishes to avoid situations in which members of the Executive Committee might misuse any inside information, or consciously or otherwise deal in such a way as could be regarded as market abuse.

Therefore any dealing by Members of the Executive Committee on their own account needs to adhere to the Dealing Code which has been established in accordance with the Market Abuse Regulation, 596/2014, of 16 April 2014 ('Market Abuse Regulation').

Members of the Executive Committee need to adhere to the Dealing Code in exactly the same terms as directors (see section 5.8).

## APPENDIX 1 DEFINITIONS

**Appendix 1 to the KBC Insurance NV Corporate Governance Charter****DEFINITIONS****Affiliated Company**

A company affiliated with another company within the meaning of Article 11,1° of the Companies Code.

**Annual Report**

The annual report of KBC Insurance NV.

**Articles of Association**

The articles of association of KBC Insurance NV.

**Audit Committee**

The audit committee of KBC Insurance NV.

**Board of Directors**

The board of directors of KBC Insurance NV.

**Business Unit**

One of the activity segments into which KBC group operations have been divided up.

**Charter**

The KBC Insurance NV's Charter.

**Close Relative**

The spouse, partner, first-degree blood relative, or any other person who is part of the actual family of the person concerned.

**Companies Code**

The Belgian companies code as set out in the Act of 7 May 1999, published in the *Belgian Official Gazette* of 6 August 1999 which entered into force on 6 February 2001, as amended from time to time.

**Compliance**

Verification of the observation of the laws and regulations governing the integrity of insurance.

**Core Shareholders**

The core shareholders of KBC Group NV, which includes KBC Ancora Comm.VA, Cera CVBA, MRBB CVBA and the other core shareholders.

**Corporate Governance**

The body of rules designed to achieve the sound management of companies.

**Executive Committee**

The executive committee of KBC Insurance NV.

**Executive Director**

A member of the Board of Directors who is also a member of the Executive Committee and, as such, is involved in the operational management of the company.

**FSMA**

The Financial Services and Markets Authority.

**General Meeting**

The general meeting of shareholders of KBC Insurance NV.

**Group Company**

Any company affiliated with KBC Group NV.

**Internal Governance**

Aspects of Corporate Governance which are subject to prudential supervision by the NBB.

**Investor Relations Office**

KBC Group NV's Investor Relations Office, an office that is responsible for communicating with the financial markets on KBC strategy, business developments and financial results.

**KBC Bank NV**

KBC Bank NV, a company with limited liability (*naamloze vennootschap*) that has solicited savings from the public, with registered office at Havenlaan 2, 1080 Brussels (Belgium), with company number 0462.920.226.

**KBC group or the group**

KBC Group NV, together with its direct and indirect subsidiaries.

**KBC Group NV**

KBC Group NV, a listed company with limited liability (*naamloze vennootschap*), with registered office at Havenlaan 2, 1080 Brussels (Belgium), with company number 0403.227.515.

**KBC Insurance group**

KBC Insurance NV, together with its direct and indirect subsidiaries.

**KBC Insurance NV**

KBC Insurance NV, a company with limited liability (*naamloze vennootschap*), with registered office at Professor Roger Van Overstraetenplein 2, 3000 Leuven (Belgium), with company number 0403.552.563.

**Management Committee**

Committee established to run and manage a Business Unit and which is led by a member of the Executive Committee of KBC Group NV.

**NBB**

The National Bank of Belgium.

**Nomination Committee**

The nomination committee of KBC Group NV.

**Non-Executive Director**

A member of the Board of Directors who is not a member of the Executive Committee and, as such, is not involved in the operational management of the company.

**Participating Interest**

A participating interest within the meaning of Articles 13 and 14 of the Companies Code.

**Remuneration Committee**

The remuneration committee of KBC Group NV.

**Risk & Compliance Committee**

The risk and compliance committee of KBC Insurance NV